

Twenty-third Annual Report

of

The United States Tariff Commission



1939



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UNITED STATES TARIFF COMMISSION

Office: Seventh and E Streets NW., Washington, D. C.

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LETTER OF TRANSMITTAL

UNITED STATES TARIFF COMMISSION,
Washington, December 1, 1939.

SIR: I have the honor to transmit to you the Twenty-third Annual Report of the United States Tariff Commission, in compliance with the provisions of section 332 of the act of Congress approved June 17, 1930.

Respectfully,

RAYMOND B. STEVENS, *Chairman.*

The PRESIDENT OF THE SENATE.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

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TWENTY-THIRD ANNUAL REPORT

INTRODUCTION AND SUMMARY

DEVELOPMENTS IN COMMERCIAL POLICY AND THEIR RELATION TO THE FUNCTIONS OF THE TARIFF COMMISSION

The Tariff Commission was established during the World War, and it now submits its Twenty-third Annual Report amid the disturbances created by the outbreak of war in Europe. This war has already produced important changes in actual movements of trade and in commercial policies. A great war not only brings with it direct interference with the international movement of goods through blockades and destruction of shipping but it also changes the commercial policies of the belligerent countries and of their affiliated empires. The British and the French have within the last few weeks instituted controls of foreign exchange and of trade by taxation or in other ways. Some neutral countries have likewise adopted governmental control of imports, or have decreed that vital supplies shall not leave the country.

War conditions may very materially affect both the export and import trade of the United States. The Tariff Commission has already made a survey as to the sources from which this country draws its imports and as to the possible effects of war on its ability to obtain its requirements.

The changes in world trade policies which have occurred since the outbreak of the war accentuate certain trends already manifest for at least 2 years. By the beginning of 1937 the trade of certain countries was dominated, and that of other countries in considerable degree affected, by preparation for war. With the renewal of hostilities in the Far East in July 1937, Japan's imports were rapidly reduced to war essentials and to raw materials for exportable manufactures to pay for war materials. War in Spain promoted war economy throughout the continent of Europe. Soon an armament race developed. Germany, Italy, and Japan, then engaged in extending their political and economic control over new territories, exercised complete control over their international trade, and countries with more liberal trade policies curtailed their own purchasing power by heavy increases in taxes for war preparations.

Apart from the influence of preparations for war, the 3-year period which may be considered as having terminated with the actual outbreak of war witnessed divergent tendencies on the part of different countries. On the one hand, some countries adopted or intensified policies of national self-sufficiency or felt themselves driven to the establishment or the tightening of exchange controls. On the other hand, some countries somewhat reduced their tariff

rates, by agreements or autonomously, or felt themselves able to mitigate or abandon exchange controls.

Broadly speaking, however, during this period most of the adjustments in commercial policy, other than those motivated by preparation for war, were minor. Although many trade agreements, including clearing and compensation agreements, were negotiated among the countries of the world, most of them were little more than renewals of older short-term agreements.

Among the events making for more friendly commercial relations among nations may be mentioned an agreement between the United Kingdom and Ireland, which terminated a trade war that had lasted since 1932; the action of the United States in extending to Australia the concessions already made to other countries, which had theretofore been withheld from that country because of discrimination against the commerce of the United States; and the trade agreements, both effective January 1, 1939, between the United States and Canada and the United States and the United Kingdom, both covering a very substantial amount of trade. The agreement between the Soviet Union and Germany in August 1939 was not merely of economic significance but had important political bearings.

In countries active in negotiating trade agreements, many clearing agreements have been renewed or extended and new clearing agreements have been made. Several countries have been moving from more general clearing agreements to more detailed compensation agreements. The policy of bilateral balancing of trade appears to have become more widely accepted in fact if not in theory. In the past year Honduras repealed its tariff system in which the rates of duty applicable depended upon the balance of trade during the preceding year with the countries concerned; on the other hand, Costa Rica introduced such a system, and certain other countries in practice put more emphasis on bilateral balancing of trade.

In contrast with 1937 when in several countries the relaxation of exchange control might be noted, in 1938 financial and trading conditions in a number of countries became worse and exchange control stricter. Near the close of the year New Zealand introduced exchange control with a general licensing system. Austria, where exchange control had practically disappeared, was merged with Germany and made subject to complete control under a complicated multiple-currency system. This system was later extended to Czechoslovakia. Elsewhere trends in 1938 were divergent with a tendency, especially in Latin America, to relax the strictness of the controls.

The Oslo Agreement among the Scandinavian countries, Belgium, and the Netherlands, an agreement aiming to liberalize trade restrictions, was allowed to expire in 1938. Japan has intensified her efforts to restrict imports of articles which she can do without, and to dominate the economy of China, having extended the control of her armies over the entire coast line. Mexico reduced the rates of duty on a very extensive list of products in August 1938, but few of the reductions exceeded the increases which had become effective about the first of the year, and the depreciation of the peso in the meantime had increased the difficulty of selling foreign goods in Mexico. Among the more extensive increases of import duties in 1939 have been those of Australia (which has continued the process

of widening the margins of British preference), of Belgium, and of the Netherlands. The last-named country has for the first time defined "moderate protection" as one of the aims of its tariff policy.

New Zealand has carried her preferential system to the extreme of prohibiting the importation of certain classes of goods unless they are of British production. India, however, has revised her agreement with the United Kingdom so as to reduce some of the margins of British preference.

Even before the outbreak of war in Europe export duties and other restrictions on exports had been increased. Bounties on production or exportation became more numerous and trade continued to suffer from a multiplication of regulations relating to sanitation, marking, packing, standardization, and documentary formalities of every sort. In August 1938 Mexico imposed additional export duties of 12 percent ad valorem on products exported on more favorable terms because of the depreciation of the currency.

These important world-wide changes have been closely followed by the United States Tariff Commission in carrying out its primary function of reporting and analyzing them for the use of all branches of the Government.

The changing commercial policies of foreign nations produced repercussions on the competitive situation for American commerce, industry, and agriculture. The law creating the Tariff Commission charged it with the duty of investigating, in a comprehensive way, the commercial relations between the United States and other countries, and the effects of our customs laws and the administration of them on all phases of the domestic economy. In fulfilling this obligation the Commission has for many years acted as the investigative and advisory agency on tariff matters for the President and the Congress. From year to year, the currents of international trade shift and new problems arise, the emphasis of the Commission's work varying as conditions change.

When general revisions of the tariff have been undertaken, as in 1921-22 and 1929-30, the Commission has furnished full information on the matters under consideration. At certain other periods, the principal work of the Commission has been the administration of the "flexible tariff" (sec. 315 of the Tariff Act of 1922 and sec. 336 of the Tariff Act of 1930) under which rates may be changed by the President, in accordance with the difference in cost of production, at home and abroad, as found by the Tariff Commission. During one period, section 3 (e) of the N. I. R. A. occupied much of the attention of the Commission. Under that section of the law, it was the duty of the Commission to make investigations upon request of the President, when he had reason to believe that imports were being entered in such volume, or under such conditions, as to threaten the maintenance of N. R. A. codes. During 1939 section 22 of the Agricultural Adjustment Act, as amended, has been applied, this section bearing somewhat the same relation to the agricultural program as section 3 (e) did to the N. R. A. program.

Toward whatever immediate problems or measures the activity of the Commission is directed, the fundamental purpose is always the same; namely, to furnish accurate and comprehensive information

to the President, the Congress, and other officials responsible for the determination of policy. To this end, the Commission maintains a trained technical and economic staff and constantly augments its fund of information accumulated over a period of years both by research and by the maintenance of contacts with those actively engaged in commerce, industry, and agriculture.

WORK OF THE TARIFF COMMISSION UNDER SPECIAL PROVISIONS OF LAW

During the last 5 years, the principal instrument of the United States foreign commercial policy has been the program of reciprocal trade agreements. The work of preparing and negotiating these agreements has been carried on by interdepartmental committees, on which the Commission is represented. The large body of data accumulated with reference to competition between products of American and foreign industry has enabled the Commission to make an important contribution. During earlier phases of the program, the collection of such data occupied a substantial part of the Commission's time. The peak of the Commission's activity in connection with the trade agreements program was reached in 1938 when a trade agreement was negotiated with the United Kingdom and a second trade agreement with Canada. Following the completion of these two agreements, digests of trade information on the several hundred products on which concessions were made by the United States, were issued by the Commission, together with a general statement as to the trade between the United States and the other two countries, and a general summary and analysis of the two agreements. The digests and analysis of the United Kingdom agreement comprised eight multilithed volumes; those on the Canadian agreement four volumes. More recently the Commission has been engaged in similar work in connection with the completed trade agreements with Turkey and Venezuela, and the proposed agreements with Belgium, Argentina, Chile, and Uruguay.

The Commission has continued its assistance to the Committee for Reciprocity Information, of which Mr. Ryder, Vice Chairman of the Commission, was appointed chairman when the Hon. Henry F. Grady became Assistant Secretary of State.

The Commission issued during the year statistical tabulations of the imports from 11 countries with which trade agreements have been made. Material now in preparation will show the influence of these trade agreements on the average ad valorem equivalents of the duties under the various tariff schedules, and under the tariff as a whole.

A new edition of *Changes in Import Duties Since the Passage of the Tariff Act of 1930*, issued in 1939, includes the rates under the agreement with the United Kingdom and the new one with Canada; a supplement shows the changes under the agreement with Turkey. This volume constitutes a ready reference to all the changes in rates since the Tariff Act of 1930.

The Commission made in 1939 an investigation and issued a report on cotton and cotton waste under section 22 of the Agricultural Adjustment Act, as amended, a section of the law not heretofore

invoked. This section authorizes the President to direct the Tariff Commission to make investigations when he has reason to believe that imports into the United States are tending to render ineffective any program under the Agricultural Adjustment Act or under the Soil Conservation and Domestic Allotment Act. After investigation and public hearing, the Commission recommended that quota limitations be placed upon imports of cotton and cotton waste, in order to forestall defeat of the cotton program (including an export subsidy on cotton). A differentiation was made between the imports of short-staple cotton (under $1\frac{1}{8}$ inches) and of long-staple ($1\frac{1}{8}$ inches or over), a larger quota being fixed for imports of the long staple because of the requirements of certain manufacturing industries for imports of that type. A quota was also fixed for the imports of cotton card strips, comber, lap, sliver, and roving wastes. The evidence did not warrant findings at that time with respect to a certain type of harsh or rough cotton, or with respect to cotton linters, or cotton wastes other than those mentioned above. The Commission is continuing its investigation of these products.

The President also directed the Commission to make an investigation of imports of manufactured articles wholly or in part of cotton, inasmuch as an export subsidy program for such articles has been adopted. The investigation is now in progress.

Activity under section 336 of the Tariff Act of 1930, the so-called flexible provision, which at one time occupied a large part of the Commission's time, was slight. No applications for investigations under this section were received during the year. Nine pending applications were dismissed without prejudice, namely, those on magnesium oxide, vermilion red containing quicksilver, wool-felt hat bodies and hats, carpets and rugs not made on power-driven looms, badminton shuttlecocks, butter, steel grinding balls, bentwood furniture, and all-wool blankets, robes, and steamer rugs. Two investigations on which work had been suspended, because in both industries the situation changed materially after the work on the investigation started, were dismissed without prejudice. These were the investigations of cotton velveteens and corduroys and of seamless cotton hosiery.

Although there has been little activity under section 336, the Commission has done considerable work on the trend of costs of production in a large number of industries. Many American companies having foreign manufacturing plants have furnished information comparing the trends of costs in the United States and in foreign countries. Data on regional cost variations within the United States have also been obtained. Although no report on cost of production of any particular commodity has been issued recently, the Commission has in its files a large accumulation of data on numerous commodities.

There has likewise been little activity during the year under section 337, which has to do with unfair practices in import trade. No formal investigations are now pending under this section. Preliminary investigations were made with regard to complaints pending at the beginning of the year, with reference to a particular type of cigar lighter, covered slide fasteners, and fittings for lubricating apparatus. These complaints were eventually withdrawn by the

complainants. A complaint received during the year, with regard to totuava or Mexican sea bass was dismissed after preliminary investigation showed that formal proceedings were not warranted. Bath mats and covers for toilet lids and stools are the subject of a complaint recently received under section 337 and now under consideration. In addition a number of informal inquiries were received concerning violations of this section of the law, none of which required formal action.

The Commission, in its Twentieth Annual Report, recommended that its functions under section 337, with reference to unfair foreign competition should be transferred to the Federal Trade Commission, and it again makes this recommendation.

Section 338 of the Tariff Act of 1930 authorizes retaliation for discrimination by foreign countries against the commerce of the United States. The President may, after investigation by the Tariff Commission, impose new or additional duties, not to exceed 50 per cent ad valorem, or its equivalent, on any or all products of any foreign country which discriminates against the commerce of this country. The President is further empowered to exclude entirely from importation into the United States the products of any country that persists in discrimination after a proclamation increasing the United States duties has been issued. In the past year the Commission had no formal request to investigate any specific act or practice involving alleged discrimination. It constantly keeps informed, however, concerning major policies of foreign countries which might involve discrimination against the commerce of the United States.

WORK OF THE TARIFF COMMISSION UNDER ITS GENERAL POWERS

Continuing its program of industry surveys, the Commission completed within the year the following reports: Incandescent Electric Lamps; Grapes, Raisins, and Wines; Starches, Dextrines, and Related Products; Glues, Gelatins, and Related Products; and a supplement to the survey on Cutlery Products issued in 1938, the supplement being a survey of the pocket cutlery industry. These surveys make available to Congress, to persons in the industry, and to the general public comprehensive information which has been brought together by the Tariff Commission over a period of years. The interrelationships of the different branches of an industry are brought out, and problems of competition are fully analyzed. Surveys now in progress include those on: Earthen Floor and Wall Tile; Cattle, Beef, and Canned Beef; Hogs and Hog Products; Silverware; and Razors and Electric Dry Shavers.

As a part of its current work, the Commission is constantly engaged in the preparation or revision of summaries of tariff information on commodities covered by the tariff act, each containing pertinent facts and statistics as to uses of the commodity; United States production, imports, and exports; tariff history; and competitive conditions. Drafts have been prepared for about 1,700 out of a probable 2,000 summaries, and the information accumulated is available at any time to the President, the Congress, and other Government departments. A substantial part of the information has already been published in the form of trade digests and commodity surveys.

Of timely interest was the report on Trade with Germany, issued in April 1939, soon after the Treasury Department's announcement of the application of the countervailing duty provision (sec. 303 of the Tariff Act of 1930) to imports from that country. Statistics with comments are given relating to about 300 classes of commodities imported in large volume from Germany and the territories under her control. The report affords a basis for estimating the probable effects on trade of the application of these duties.

The Commission also has under way a study of fishery treaties and agreements of the United States, a study of Latin American trade, a report on tariff boards and commissions in foreign countries, and a handbook on commercial and clearing agreements between the countries of Latin America on the one hand and the United Kingdom, France, Germany, Italy, and Japan on the other. A report will also be made on recent trends in the commercial policies of Germany, Italy, France, and other foreign countries with special reference to import quotas, exchange controls, and clearing agreements. The Commission has in the past published reports on the foreign trade of Japan, the last one having been issued in 1936. The material contained in the earlier reports is now being brought up to date.

Upon the outbreak of the European war, the Commission undertook a study of the probable changes which might occur in our import trade as a result of hostilities. This report comments on the situation of each of the important commodities making up our import trade and discusses potential sources of supply that may be drawn upon if the ordinary sources are cut off, as well as the possibility of making up any deficiency in imports by increasing the domestic output, or of substituting other products for them. Reference is also made to the experience with regard to many of the same products during the last World War. A preliminary draft of this report was made available early in October to other departments of the Government, and a revised edition is being distributed to the general public.

Prominent in United States commercial policy during the last few years have been the excise taxes levied on imports of a number of important commodities. The Commission prepared for the use of Congress and issued in multilithed form a report on "Imports, Exports, Domestic Production and Prices of Petroleum, Coal, Lumber and Copper, together with Excise Taxes Collected Thereon." This report supplements and brings to date an earlier report released in May 1937. The Commission also issued in 1939 a report on "Excise Taxes on Fats and Oils and Oil-bearing Materials."

Because of the many inquiries received with regard to imports and prices of sugar and the various measures adopted from time to time to control this product, including the quotas under the Sugar Act of 1937, the Commission issued, in 1939, a compilation entitled "Statistics on Sugar." This brought to date the tables which furnished a statistical background for the Commission's report to the President on sugar in 1934, made as a result of the investigation at that time under section 336 of the Tariff Act of 1930.

The Commission as usual has made a report on the production and sales of synthetic organic chemicals in the United States. Such a report has been made annually since 1917, when it was started in the administration of section 501 of the Revenue Act of 1916. That

provision has been superseded, but because of interest in the subject and the importance of the industry the Commission has continued to collect and publish these data. The Commission also issued in 1939 a statistical analysis of miscellaneous chemical and medicinal products dutiable under paragraph 5 and imported in 1937 through the New York customs district.

By the provisions of Senate Resolution No. 160, passed on August 1, 1939, the Tariff Commission was directed to make a report by April 15, 1940, on the competitive situation with reference to wood pulp and pulpwood. The Commission had made a comprehensive report to the Senate on this industry in 1937. The principal changes that occurred after that time were the reductions in United States exports to Japan, substantial additions to pulp-producing capacity in this country, a marked decline in pulp prices, and generally depressed conditions in the domestic industry. The outbreak of the war in Europe changed the situation radically; and after making a brief preliminary report to the Senate, the Commission decided unless otherwise directed by the Senate to suspend the investigation until more settled conditions prevail.

The Commission is frequently asked to furnish information concerning the control of raw materials, a matter of world-wide attention in the last few years and the subject of international conferences. To meet these requests a bibliography of raw materials was prepared and issued by the Commission in the last year.

MISCELLANEOUS WORK OF THE TARIFF COMMISSION

At all times, cooperation with other Government departments has occupied a substantial part of the Commission's time. The Commission has cooperated with other departments which deal with international trade matters, through membership on various committees, such as the Executive Committee on Commercial Policy, the Trade Agreements Committee and its various subcommittees, the Interdepartmental Committee on Cooperation with the American Republics, and the Interdepartmental Committee on Philippine Affairs. Information has been furnished to the Departments of Treasury, Agriculture, Commerce, and Labor on matters affecting our national economy, both international and domestic. Also, the Commission has furnished to the War and Navy Departments data on commodities essential to national defense.

The Commission has given attention to many aspects of a problem of great current interest; namely, trade relations with Latin America. Some of the Commissioners are on committees with reference to cooperation with the other American Republics. A tangible evidence of cooperation in the past year has been the service of a Commissioner, Mr. Edgar B. Brossard, representing the Tariff Commission on the Interdepartmental Committee on Cooperation with the American Republics, and the lending of experts to certain South American countries. Another commissioner, Mr. A. M. Fox, is serving as the Director of the Technical Advisory Mission now in Venezuela, and he is being assisted by Mr. Harold V. Fay of the Commission's staff. Mr. Harold D. Gresham has been loaned to Paraguay to make a study of the customs procedure and tariff of

that country. The Commission has also assigned Mr. Clifton W. Housley to act as one of the advisors to those negotiating the trade agreement with Argentina in Buenos Aires.

The Commission is directing offices under the Work Projects Administration in three cities—Richmond, New York City, and Washington. As a result of the work at these offices, the Tariff Commission has obtained tabulations of a large amount of statistical data needed in its work.

Whenever Congress is in session, a large number of bills and resolutions relating to tariff matters are referred to the Commission for report, and members of the Commission's staff are frequently called into conference with committees or Members of Congress, to supply information. The Commission is called upon in this way not only for technical information and statistics of production, imports, and exports of many commodities, but for the interpretation of administrative regulations and an opinion as to the probable effect of proposed changes in such regulations, and for information on international trade in general and the commercial policies of foreign nations, as well as to the correct procedure for obtaining redress or relief in cases of destructive foreign competition. The Commission also answers many inquiries on similar matters from persons engaged in commerce or industry.

As the result of a law passed in 1939, the Tariff Commission, as well as other agencies of the government, may not send through the mail free of postage any report or document (with certain specified exceptions) unless a request therefor has been previously received.

CURRENT ACTIVITIES

As required by law, the Tariff Commission here presents a summary of the reports completed within the year and in addition gives an account of the work in progress.

WORK UNDER SECTION 332—GENERAL POWERS OF THE COMMISSION

WORK COMPLETED IN 1939

Statistical studies of current problems.

Under the general powers conferred by section 332, the Commission from time to time makes reports, largely statistical, bearing on problems of current interest, such as United States trade with Germany. Statistical compilations relating to particular commodities are released also; such statistics often are not to be found in print and must therefore be obtained directly from the trade by questionnaire or other method. Reports released in 1939, summarized below, are available in mimeographed or multilithed form. Other reports of a similar nature are summarized under headings such as "Published Material Relating to Trade Agreements."

United States trade with Germany.—The Tariff Commission issued, on April 3, 1939, a compilation of data on United States trade with Germany and other areas which had at that time been brought under the control of the German Government. The material contained in this report relates primarily to about 300 individual classes of commodities imported in largest value from these sources into the United States. The information was of special interest at the time in view of the Treasury Department's announcement on March 18 of the application, effective April 23, of the countervailing-duty provision (sec. 303) of the Tariff Act of 1930 to imports of such origin. The detailed data on individual commodities were preceded by a brief general analysis of our trade, both import and export, with the areas at the time under the control of the German Government.

In addition to the statistics of imports from Germany and other principal supplying countries, the data on individual classes of imports included such information as was available regarding domestic production of similar goods and regarding any special characteristics that would differentiate imports from Germany and Austria from similar goods from other sources. This information was designed to indicate the degree of importance to the economy of the United States of the imports of each class from the territories controlled by the German Government and to show the probable effect of the application of the countervailing duties on future imports.

Appraising United States-German trade in general, the report indicates that in the last decade Germany has declined in importance both as a source of United States imports and as a market for United

States exports. In 1938 United States imports from Germany were valued at 64.5 million dollars and exports to Germany at 107.6 million dollars; the corresponding figures for 1929 were 254.7 and 410.5 million dollars, respectively. In the period 1929 to 1933, Germany supplied 5.4 to 6 percent of the total imports of the United States but in 1938 only about 3.3 percent. There was a slightly greater decline in the percentage of our exports taken by Germany in the same period.

With the annexation by Germany of Austria, a large part of Czechoslovakia, and part of Lithuania, the trade of the United States with these territories became subject to the influences which have for some time been affecting our trade with Germany.

Among the factors responsible for the decline in the importance of Germany as a source of our imports in the last decade were the increased dollar value of Germany's currency, resulting from the reduction in the gold content of the dollar; German restrictive trade policies, including clearing agreements and compensation arrangements which worked to cause a diversion of trade to countries with which Germany had such arrangements; the difficulties of many German manufacturers in obtaining materials necessary for the production of goods of the quality formerly exported from Germany to this market; and the disinclination of many Americans to handle or use products of German manufacture. Among the factors affecting our export trade with Germany was the policy adopted by Germany of forcing reductions of imports from those countries which take smaller quantities of German goods than they export to Germany. Curtailment of our exports to Germany also resulted from the National Socialist Program of promoting domestic production to replace materials formerly imported. The United States was an important supplier of some such materials, notably cotton, for which Germany has attempted to substitute synthetic textile fibers and cotton from other sources.

The Tariff Commission report also contains a brief description of the much-discussed barter procedure in Germany's trade, and analyzes the probable effects of the countervailing duties on imports effected through this procedure. The report indicates that imports so financed would probably decline or disappear as a result of the Treasury ruling with respect to the countervailing-duty procedure.

Further studies on United States trade and commercial relations with Germany are under way and are discussed on page 34.

The European war and United States Imports.—With the outbreak of the present conflict in Europe the Commission began an analysis of the probable effect of hostilities on United States imports. This report covers all imported commodities in which the trade in recent years was valued at more than 2 million dollars annually. It discusses the effects that the war may have on imports and on the United States economy should there be any cessation of or reduction in the present volume of trade in these goods.

The Commission believes this report to be of special importance, since the major part of total United States imports consist of goods, or special grades of goods, for which United States consumption is supplied wholly or in considerable part by imports. Individual commodities have been examined to determine whether the foreign sources

of current supplies are likely to be materially affected by the present hostilities and the possibility of obtaining supplies elsewhere or of using substitute commodities.

Since developments in the 1914-18 period are commonly regarded as a possible pattern for current developments in this country, an analysis of imports into the United States has been made in order to determine how far the current situation conforms to that of 1914. The analysis indicates far-reaching changes in both the United States and world economy and trade since 1914, and that for many commodities the effects of the present war, both in this country and abroad, will follow a far different pattern from that of the last war.

The data assembled in this report provide a basis of factual information which may be used in forecasting the effect that the present outbreak of hostilities in Europe may have on imports. Because of the immediate interest in the subject, the Commission put its material at the disposal of other Government departments. The Commission is continuing its studies of this subject because changing circumstances will no doubt have an important bearing on imports.

Analysis of imports of miscellaneous chemicals.—The Tariff Commission has issued a statistical analysis of certain classes of chemicals dutiable under paragraph 5 of the Tariff Act of 1930 and imported in 1937 through the New York customs district. These classes are the so-called basket classifications, which are composed of miscellaneous related chemical and medicinal products. The analysis consists of a tabulation of the imports of every commodity included in these classifications, the value of which was \$1,000 or more; the analysis was carried out with the assistance of the Work Projects Administration. Detailed information on such imports is not available elsewhere.

This statistical analysis covers imports valued at \$881,000, which were approximately 57 percent of the imports through New York and 43 percent of the total United States imports of the classifications considered. The most important items were found to be diacetone gulonic acid, ephedrine compounds, oestrone, urine concentrate, potassium metabisulfite, and progesterone. As in preceding years, Germany was the principal supplier of imports of this group of chemicals; Switzerland was second, and the United Kingdom a close third.

Statistics on sugar. “Statistics on Sugar,” issued by the Commission in March 1939, is a 46-page compilation of statistical data. It is substantially a reproduction of the statistical summary prepared by the Commission after its investigation on sugar in 1933 under sections 336 and 332 of the Tariff Act of 1930, and published as an appendix to the Commission’s report to the President on Sugar, in 1934, but now out of print. The tables, brought through 1938, contain some classes of data not included in the 1934 report.

The statistics cover United States production of sugar by areas, and world production by countries; United States imports, exports, and consumption; wholesale and retail prices; United States rates of duty, government revenues from sugar, and marketing quotas; and costs of production (as of 1929-31) in the principal producing areas supplying the United States.

Analysis of imports of flower seeds.—United States imports of flower seeds in 1937 amounted to 129,000 pounds valued at \$206,000. These came mostly from the Netherlands, the United Kingdom, and Japan. Statistics as ordinarily published do not show what kinds of flower seeds are imported, and, therefore, the Tariff Commission in March 1939 issued special statistics based on an analysis of imports covering entries at New York City valued at \$42,000, or about 20 percent of the total United States imports of flower seeds in 1937. It was found that the most important kinds (with the principal sources of each), entered at New York City, were as follows: Cyclamen (Germany), petunia (Japan), phlox (France), zinnia (Japan, Denmark), pansy (Netherlands, United Kingdom), portulaca (Japan, Denmark), and snapdragon (United Kingdom). These seven species accounted for slightly more than 35 percent of the total imports at that port. The remainder consisted of a very large number of other species, 45 of which were entered to the value of \$100 or more each.

The data for the report were tabulated by one of the units of the Work Projects Administration described elsewhere in this report.

Analysis of imports by parcel post.—Through the cooperation of the Bureau of Customs in supplying records of entries for certain selected districts, an analysis of merchandise covered by parcel post entries, valued at less than \$100 each, was completed. Detailed commodity composition of this considerable item in our foreign trade is not recorded in official statistics. The analysis covers 24 principal ports for the last quarter of 1937 and the port of Baltimore for the full year of 1937. The tables show informal parcel-post imports by groups of ports and by principal countries of origin. The imports analyzed amounted to about \$2,400,000, of which the United Kingdom was the source of 34 percent and Germany 17½ percent. Among the principal items entered were books and other printed matter, precious and semiprecious stones, and laces and embroideries.

The data for this report were also tabulated by one of the Work Projects Administration units under the direction of the Commission.

Synthetic organic chemicals, United States production and sales, 1938.—The Commission's report on the production and sales of synthetic organic chemicals in the United States in 1938 is its twenty-second annual survey of such products. The project was begun at the President's request in 1917 for the purpose of compiling detailed statistics necessary for the administration of section 501 of the Revenue Act of 1916. After this provision was superseded by the Emergency Tariff Act of 1921, the Commission, under its general powers, continued to collect and publish such data, primarily to obtain adequate statistics for use in considering the tariff problems of the increasingly complex synthetic organic chemical industry. A secondary objective was to make publicly available information of great commercial interest. The report, at first essentially a census of dyes, has been expanded to include all classes of synthetic organic chemicals, both coal-tar and non-coal-tar.

The survey for 1938 was compiled from schedules returned to the Commission by 307 companies. Sales value of synthetic organic chemicals in 1938 totaled \$246,476,000, or 13 percent less than in the

peak year 1937. Those derived from coal tar decreased 20 percent to \$130,462,000, and those not obtained from coal tar dropped 3 percent to \$116,014,000.

The domestic output of coal tar in 1938 was 419,580,000 gallons, or almost a third less than in 1937. All of the crudes made from coal tar were produced in smaller quantities in 1938 than in the preceding year. The production of 401,943,000 pounds of coal-tar intermediates, made from coal-tar crudes and used in the manufacture of dyes and other finished coal-tar products, was 30 percent under that in 1937.

The total production of coal-tar dyes in 1938 was 81,759,000 pounds, or 33 percent less than in 1937. Sales decreased 26 percent in quantity and 18 percent in value to 87,803,000 pounds valued at \$53,096,000. Declines were especially heavy in the cheaper bulk dyes, such as synthetic indigo. Organic color lakes and toners also decreased sharply in both production and sales.

Production and sales of synthetic medicinals, both coal-tar and non-coal-tar, decreased in 1938. In that year the output of those derived from coal tar was 11,097,000 pounds, and sales were 8,885,000 pounds, valued at \$9,509,000; and the production of non-coal-tar medicinals was 1,379,000 pounds, of which 1,137,000 pounds were sold for \$2,278,000. Sales of 3,894,000 pounds of aspirin were 24 percent less than in 1937. The value per pound of sales of sulfanilamide dropped from \$4.95 in 1937 to \$1.79 in 1938.

The output of synthetic flavors and perfume materials derived from coal tar in 1938 was 12 percent less than in 1937. Flavors and perfumes not of coal-tar origin were down 18 percent. Contrary to the general trend, the quantity of vanillin sold increased 23 percent, and the value per pound of sales decreased from \$3.27 in 1937 to \$2.22 in 1938.

The total production of synthetic resins in 1938 was 130,359,000 pounds as against 163,031,000 pounds in 1937. Those derived from coal tar declined 25 percent in production, while the non-coal-tar resins increased 11 percent. This was partly due to the initiation of commercial production of polyvinyl acetal resins for use in the manufacture of safety glass.

Production of synthetic organic chemicals used in the rubber industry was about a third less in 1938 than in 1937. In the miscellaneous coal-tar chemicals, the production of coal-tar textile chemicals increased to 5,791,000 pounds, or by 88 percent. The production of 10,429,000 pounds of phthalates was 31 percent under that in the preceding year. Miscellaneous non-coal-tar synthetic organic chemicals decreased in production from 2,505,027,000 pounds in 1937 to 2,383,168,000 pounds in 1938.

Commodity surveys.

Seven extended commodity surveys were published in 1937 and 1938—Chemical Nitrogen, Flat Glass, Sodium Sulphate, Mica, Iron and Steel, Cutlery Products, and Synthetic Resins, and two in 1939—Grapes, Raisins and Wines; and Incandescent Electric Lamps. A survey on pocket cutlery was issued in multilithed form as a supplement to the printed survey on Cutlery Products and its contents are summarized in the annual report for 1938. In addition, two sur-

veys, one on starches and dextrines and one on glues, gelatins, and related products, have been completed and released in mimeographed form preliminary to printing. The surveys released in 1939 are summarized below.¹

Grapes, raisins, and wines.—The Commission's report, "Grapes, Raisins, and Wines" (408 pages), published late in 1939, brings together information obtained in the course of an extensive survey of the trade and tariff problems of the United States grape product industries in recent years. Most of this information was obtained in special investigations by the Commission itself through questionnaires and field canvasses. In the emphasis that it places upon the interrelationship of the three branches of the grape industry—table grapes, raisins, and wines—the report gives a clear perspective of the international trade in grapes and grape products and lays a broad factual basis for the consideration of problems faced by domestic growers and processors of grapes. The serious character of several of these problems at the present time is traceable to surplus production of grapes, especially raisin grapes.

The report is in four major parts. Part I deals with the grape product industries as a whole. The remaining three parts treat separately table grapes, raisins and currants, and the various wines and brandies. There is also a statistical appendix.

A brief comparison of the United States grape industries with those of other countries is followed in part I by a discussion of the interdependence of grape growers, raisin producers, and wine makers.

United States production of grapes represents only about 5 percent of world production. Of the 2.5 million tons produced in the United States in 1935, predominantly in California, about 38 percent was made directly into wines, 33 percent was dried into raisins, and 29 percent was marketed fresh. However, it was estimated that about half of the grapes marketed fresh were used in home wine making. In recent years the annual world production of grapes has approximated 45 million tons, of which about 84 percent is used in making wines, only a small part of which enters international trade. About 6 percent is utilized for raisins and currants and about 10 percent is marketed fresh.

A section in the introduction on the history of the tariff rates on the several grape products gives a summary of present provisions. In 1937, on an ad valorem basis, the equivalents of the existing duties were 20 percent on table grapes, 33 percent on raisins and currants, and 44 percent on wines and brandies. An attempt is made in this section to appraise the effect of the duties on imports of these three products.

Government aid to the grape industry, particularly in meeting the problems arising from overproduction of raisins, as well as labor conditions in the grape fields of California, is also discussed at length in part I.

Part II deals with table grapes. Since these are not processed, the discussion relates for the most part to marketing problems.

Prohibition brought significant changes in the domestic market for fresh grapes. Before the adoption of the prohibition amend-

¹ See pp. 26-31 for a statement of the survey program.

ment, the market for fresh grapes in the United States was largely for table grapes to be consumed as fruit. During prohibition and since repeal, however, a large percentage of total shipments has consisted of juice grapes for use in home wine making. The international market, however, has been for table grapes only.

The United States was a large importer of European grapes up to 1923, when an embargo was placed on grapes from Spain to keep out the Mediterranean fruitfly. Since then a significant import trade in out-of-season grapes from Argentina, Chile, and South Africa has developed. Total imports, mainly because of differences in marketing season, are not severely competitive with domestic grapes.

Part III gives an extensive account of the raisin and currant industry. In contrast to the table grape and wine industries, the raisin industry is concentrated in a small number of grape-growing countries where the climate is favorable to drying. In consequence, the ratio of exports to production is much higher for raisins than for either table grapes or wines. The United States, Greece, Australia, and Turkey are the outstanding producers, and raisins from these sources are strongly competitive in world markets, particularly since the development of seedless raisin grapes. The United States exports about 25 percent of its production.

Other phases of the subject discussed in part III are foreign production, the competition faced by American raisins in foreign markets, the difficulties arising from the surplus production resulting from overexpansion of the industry during the World War, and the problems created by diverting surplus raisin grapes to table grape markets and to wineries.

The United States has almost ceased to be an importer of raisins and currants. Imports were once as high as 27,000 tons of each but have dwindled to less than 3,000 tons. A history of the tariff rates on raisins and currants goes back to 1790 and imports since the 1850's are reviewed in the report.

Part IV is subdivided into sections on (a) still wines, (b) sparkling wines, and (c) brandies. Methods of manufacture in the United States and in European countries are described, and production in the principal producing countries, as well as international trade in each beverage, is compared.

The United States produces over 100 million gallons of wine annually. Ten countries produce in excess of that amount, France alone producing 20 times as much. In some European countries, the consumption of wine ranges from 30 to 40 gallons per capita per annum, whereas in the United States it is less than 1 gallon. Detailed statistics show the consumption of the principal kinds of wine in the United States, by States; domestic production; the value of winery products; and stocks in warehouses. There is also an account of price disturbances and of other changes resulting from prohibition and its repeal. These changes were reflected in the import trade first by a decline in imports of wines in bulk under prohibition and after repeal by an increase in imports of fine bottled wines. Competition of these imports with domestic wines is discussed in detail.

A section under each class of products of the wine industry deals with tariff history and tariff problems. The effect of duties on imports and on the wine trade in general, and the tariff as a method of social control and a source of revenue are phases of the subject treated.

Incandescent electric lamps.—The survey on incandescent electric lamps covers economic and competitive aspects of production, distribution, and international trade in the world's leading lamp-producing and trading countries.

Progress in artificial lighting, particularly in the United States, has been rapid since Edison's successful invention in 1879, and today the United States produces and consumes more incandescent electric lamps than all other countries in the world combined. Production in the United States increased from 25 million lamps (valued at 3½ million dollars) in 1900 to over 807 million lamps (valued at 71 million dollars) in 1937.

Among the factors facilitating this expansion of domestic lamp production have been the development of economical sources of electric current, the growth in United States population, and the wide extension of rural electrification.

Practically all types of lamps, from the tiny "grain of wheat" lamp to the large 50,000-watt lamp, are manufactured in the United States, the bulk of consumption consisting of the standard (up to 100 watts) tungsten filament types with frosted bulb. Technical progress and high manufacturing efficiency, together with an extremely large domestic market, have made possible lower lamp prices in this country than in most foreign countries, except Japan.

The manufacture of electric lamps in the United States, as well as in most foreign countries producing lamps, is now concentrated in the plants of a few large companies. In the United States one company, together with its licensees, accounts for about 90 percent of the total output. In Europe four companies are of outstanding importance.

International competition in lamps is regulated largely through agreements and cartel arrangements between the principal lamp producers of the world. These agreements, which provide for the exchange of patents and technical information and for the allocation of world markets, limit considerably international competition in the trade in lamps. Competition from foreign producers is further checked in producing countries by import restrictions in the form of tariffs and quotas. Since 1922, the United States has imposed a duty of 20 percent ad valorem on lamps and glass bulbs with metal filaments. Practically all imports into this country consist of lamps with metal filaments.

Japan, Germany, the Netherlands, the United Kingdom, France, and Belgium are the other important lamp-producing countries. The rapid rise of Japan to the second place within the last 15 years has been particularly significant in the world competitive situation. In recent years practically all imports of lamps into the United States have come from that country.

United States imports, which have consisted principally of miniature lamps (Christmas tree or other decorative types), increased

substantially between the years 1932 and 1936. In 1936 they amounted to over 142 million, equivalent to about 20 percent of domestic production of all lamps. Since 1936, however, imports have declined; in 1938 they amounted to 66 million (about 9 percent of domestic production, although in value they were less than 1 percent). Imports of lamps other than miniature represent a very small part of the domestic consumption of that class.

United States exports of electric lamps, which go chiefly to Cuba, the Philippines, and British India, have been small relative to domestic production or imports but have increased slightly in recent years. In 1938 they amounted to 15 million lamps.

Starches and dextrines.—Starches of both domestic and foreign origin are used in large quantities in the United States for food and for industrial purposes; dextrines are particularly important in industrial applications. In recent years, because of increased imports of tapioca and sago starches or flours, the question of imposing tariff duties or excise taxes on these products, which now enter free, has received increasing attention on the part of both manufacturers of starch and producers of corn. The Tariff Commission therefore prepared a survey dealing with production, distribution, trade, and uses of the various starches and dextrines and the degree of competition existing among them.

The starches of greatest importance are domestic cornstarch and imported tapioca and sago flours (starches), which come principally from the Netherlands Indies. Other starches discussed in the survey are potato (Irish and sweet), rice, wheat, and arrowroot. Corresponding dextrines are included, those made from corn and tapioca being the most important.

United States tariff treatment of starches and dextrines varies with the particular kind. Tapioca and sago starches have long been duty-free and that status is bound in the trade agreement with the Netherlands. In this same agreement the duty on potato starch is reduced from 2½ cents to 1¾ cents per pound, and potato dextrine from 3 cents to 2¼ cents. Arrowroot starch is bound duty-free in the trade agreement with the United Kingdom. Starches other than those mentioned are dutiable at 1½ cents per pound and other dextrines at 2 cents.

Starches are used as food, and in the textile, paper, and laundry industries, and for numerous other industrial purposes. Starches are also converted into sirup, sugar, and dextrine. Approximately two-thirds of the cornstarch produced in the United States is made into sirup and sugar (corn sugar), the remainder being marketed in the form of starch for food and for industrial purposes. Dextrines are used principally as adhesives.

The principal competition between domestic and imported starches occurs in industrial uses. This competition is affected by the size and price of the domestic corn crop and by factors influencing the tropical tapioca and sago crops. Imports of the tropical starches, which had been increasing over a long period, were unusually large in 1937, partly because of the very small corn crop of 1936. They declined in 1938 but increased again in 1939. Exports of cornstarch declined after 1930 and then increased in 1938 and 1939 along with production and sales.

In the preparation of the survey, the Commission's representatives obtained data from the domestic industry as to uses and competition among different starches and dextrans, either by questionnaire or through personal interviews with distributors and consumers. Considerable space is given to an analysis of this material as well as to production of, and international trade in, starches and dextrans. The effect of imports of starch on the producers of corn is discussed fully.

Glues, gelatins, and related products.—This survey, now being printed, contains a broad analysis of all the products dutiable under paragraph 41 of the Tariff Act of 1930. It is in three parts, one dealing with the various kinds of glues; another, with the several gelatins; and the third, with pectin, agar-agar, and isinglass. Each part discusses raw material supplies, processes of manufacture, production, industrial organization, distribution, and world trade, particularly in relation to the United States tariff on imports of these products.

The United States is the largest world producer of glue. Domestic production aggregated about 356 million pounds in 1937, approximately 65 percent of which was vegetable glue. The domestic output of vegetable and casein glues has increased much more in the last decade or so than has that of animal or fish glues. This is due in large part to the low price of vegetable glue; the water-resistance of casein glue; the ease of application of both vegetable and casein glue as compared with animal glue; and the increased activity of industries consuming these two glues. Synthetic resin glue, a fairly new product, has also increased in competitive importance, particularly in the manufacture of plywood, but its consumption is still small compared with that of other glues.

Recently there has been a substantial decline in imports of animal glue. In 1938 they were one-fourth as large as in 1937 and were equal to only a small fraction of domestic production. Imports of other glues have always been small.

Of the gelatins, the edible is the most important, approximately 22 million pounds having been produced in the United States in both 1937 and 1938. Under the Netherlands trade agreement, effective February 1, 1936, the duty on edible gelatin valued at less than 40 cents per pound was reduced from 12 percent plus 5 cents a pound to 12 percent plus 2½ cents a pound. Chiefly because of greatly increased domestic consumption, imports increased under this classification; in 1938, however, they declined sharply from the all-time high in 1937, largely because of the increased domestic capacity and decreased domestic demand. Inedible gelatin is imported almost exclusively for sizing straw hats. Photographic gelatin, used in sensitizing plates, films, and papers, had until recently been imported in greater quantity than it was produced domestically. In recent years, however, domestic production has increased greatly, and in 1938 far exceeded imports, which came almost exclusively from Germany.

Except for tapioca, the principal raw material of vegetable glue, most of the raw materials for these products are of domestic origin.

Published material relating to trade agreements.

It is the practice of the Commission, soon after the consummation of an important trade agreement made by the United States pursuant to the Trade Agreements Act of 1934, to issue a report under its general powers summarizing the provisions of the agreement and the factual data regarding United States trade with the country concerned,² and giving detailed information on each of the individual commodities on which the United States granted concessions in duties or bound duties against increase. Three such reports were issued in 1939; these relate to agreements with the United Kingdom, Canada, and Turkey.

The Commission issues from time to time a list of changes in import duties since the passage of the Tariff Act of 1930; most of these changes have been the result of trade agreements.

In addition to the reports mentioned the Commission has compiled statistics of imports from countries with which trade agreements had been concluded prior to January 1, 1937. These compilations are discussed under Work Projects Administration (p. 45).

The United Kingdom.—A trade agreement with the United Kingdom was signed on November 17, 1938, and became effective on January 1, 1939. Shortly thereafter a report was issued by the Commission in eight volumes.

The introductory volume contains data on trade between the United States and the United Kingdom, the British Colonies, and Newfoundland, summaries of the tariff histories of the United States and the United Kingdom, a general summary of the provisions of the agreement, and numerous charts and tables, together with a complete list of the individual concessions made by the respective countries.

The main body of the report (vols. II–VIII) consists of digests of trade data relating to all the dutiable commodities on which the United States made tariff concessions. These digests show for each commodity, the tariff rates in effect before and under the agreement, and data relating to domestic production, imports, and exports, and factors affecting competition.

The importance of the trade agreement with the United Kingdom is indicated by the figures for the total trade of the United States with the United Kingdom, the British Colonies, and Newfoundland in the commodities on which specific concessions, including bindings or continuance of existing rates of duty or freedom of entry, were made on both sides. This trade was valued at about 678 million dollars in 1936. It is estimated that in 1937 the value of imports of concession items into the United States from all the areas covered by the agreement, plus the value of imports of concession items from the United States into the United Kingdom only, was about 780 million dollars.

The concessions obtained by the United States in the United Kingdom include reductions in United Kingdom duties, the modification of preferences enjoyed by the British Dominions and other parts of the British Empire, and the binding of existing rates of duty or existing freedom of entry. The concessions obtained on imports into the British Colonies relate solely to the margins of preference ac-

² See Work Under Section 350—Trade Agreements Program—for activities of the Commission during the negotiation of trade agreements.

corded in those colonies to imports from the United Kingdom and other parts of the British Empire; and the concessions obtained on imports into Newfoundland relate in part to general rates and in part to the preferential treatment accorded imports from the United Kingdom.

The agreement provides for concessions by the United Kingdom with respect to 296 rates. British duties were eliminated on a number of agricultural products, including citrus fruit juices, lard, and wheat; duties were reduced on rice, oatmeal, fresh apples, dried fruits, and other fruits and vegetables; and the tariff status of various fruits, meat products, hams, and cotton was bound against increase, some of these products, notably cotton, being duty-free. In addition, an increase was obtained in the quota on imports of ham into the United Kingdom and the existing margin of preference on unmanufactured tobacco was bound against increase.

Duties were also reduced by the United Kingdom on a wide range of nonagricultural products, including typewriters, machines, metal furniture and tools, doors, wood and timber, and silk stockings, and existing duties were bound against increase on motorcars, corsets, dental and medical instruments and appliances, agricultural tractors, and other manufactures and semimanufactures. Fur skins were among the more important articles on which free entry was bound.

Concessions were obtained on more than 200 different articles or groups of articles imported into the British Colonies from the United States. Inasmuch as concessions were made on many of these articles by two or more colonies, the total number of concessions obtained in the colonies was about 1,110. Newfoundland made concessions on imports of 47 products, both agricultural and nonagricultural.

The concessions made by the United States on imports from the United Kingdom, the British Colonies, and Newfoundland consist of reductions in duty below the rates prevailing in 1938, bindings of rates prevailing in 1938 (these being in part rates previously reduced in trade agreements with other countries), and bindings of duty-free entry. The United States made concessions on 621 classifications.

The classifications of particular interest to the United Kingdom on which United States duties were reduced cover a wide variety of products, mostly manufactured goods, although a few important crude materials, such as china clay, are included. Among the more important concessions involving a reduction in duty are those on textiles (cotton, wool, and linen), leather and manufactures, metal manufactures, and ceramics. It is noted in the report that a large number of the duty reductions relate to articles, imports of which consist of grades or qualities either not produced in the United States or produced only in small amounts. Furthermore, it is pointed out that many new import classifications are established by the agreement either for the purpose of confining concessions to products supplied principally by the United Kingdom, or in order to limit duty reductions to the less competitive portions of the old classifications. Whisky and jute burlap are among the more important items on which duties are bound in the interest of the United Kingdom. The duty on aged whisky was reduced by one-half in the 1936 Canadian agreement, and the reduced rate was bound in both the United Kingdom agreement and the 1939 Canadian agreement. Products of special interest to the

United Kingdom on which duty-free entry is bound include coal-tar crudes, rough or uncut diamonds, several types of undressed furs and fur skins, inedible palm-kernel oil, various classes of art works and antiques, and fuel oil imported for supplies of vessels.

The concessions granted by the United States on imports from the British Colonies consist largely of the binding of duty-free entries, and affect, for the most part, certain basic minerals and tropical products. Crude rubber and tin are the largest import items included among the concessions by the United States of particular interest to the British Colonies. Six concessions were made by the United States on products of special interest to Newfoundland, including certain species of fish and berries.

Canada.—The Commission issued a report summarizing the provisions of the second trade agreement with Canada which was signed on the same day and became effective simultaneously with the agreement with the United Kingdom. An introductory volume to the report gives a general analysis of the agreement and of the trade between the two countries and a complete list of the individual concessions on both sides. Volumes II, III, and IV (the latter in two parts) contain digests of trade data on the individual products on which concessions were granted by the United States. These digests give for each commodity a brief factual statement setting forth pertinent data in regard to production, imports, exports, and other trade factors.

The second trade agreement with Canada is much broader in scope than the agreement of January 1, 1936, which it replaces, and contains many new concessions on dutiable commodities by both countries. The earlier agreement had already bound the duty-free entry of so large a part of the duty-free imports that the new bindings are of minor importance. About three-fifths of the total imports from Canada into the United States enter free of duty, and therefore the value of the commodities on which free entry is bound is much greater than the value of the dutiable commodities on which concessions were made.

In 1937 total imports of merchandise from Canada into the United States amounted to \$394,200,000, of which \$156,200,000 were subject to duty. On 77 percent of the dutiable imports, valued at \$120,500,000, the new agreement fixes rates of duty lower than were in effect in 1935, before the first agreement. In addition, the 1935 rates of duty were bound against increase on commodities valued at \$3,300,000 in 1937, or about 2 percent of the dutiable imports.

The total value of duty-free imports into the United States from Canada in 1937 was \$238,000,000, on 85 percent of which continued free entry is bound. In regard to two of the commodities on the free list—shingles and crude nepheline syenite—the United States reserves the right to impose duties should the imports exceed quantities specified in the agreement. On seven dutiable commodities (cream, milk, seed potatoes, table potatoes, calves, cattle, and fillets of cod and related species of fish), the imports of which from Canada in 1937 were valued at \$14,200,000, the reduced duties are applicable to specified quotas, any imports in excess of the quotas being subject to higher rates.

Among the more important concessions by the United States making for improvement in tariff position over that immediately preceding the new agreement are those on live cattle, hogs and

pork products, cheese, eggs, grains other than wheat, grain byproducts, maple sugar, potatoes, various fishery products, acetic acid, certain black pigments, brick, nickel, aluminum, zinc, cadmium, certain cast-iron products, book paper, the cheaper grades of tissue and crepe paper, and silver fox furs.

The concessions made by Canada in the new agreement were partly by a definite schedule of individual commodities, and partly through the operation of the most-favored-nation provision. In addition, Canada agreed to the removal of a special 3-percent excise tax applicable to a large part of the imports from the United States. Total dutiable imports into Canada from the United States in 1937 amounted to \$290,000,000, but the value of the 1937 trade in articles which were dutiable in 1935 was over \$308,000,000, some having been made free after 1935. The imports into Canada from the United States of all commodities on which the duties were lower after the new agreement went into effect than they had been in 1935, before the first agreement, amounted in 1937 to over \$270,000,000, or 78 percent of the total dutiable. This figure indicates the scope of the duty reductions made by Canada in the two agreements. In addition, the duties in effect in 1935 are bound on imports from the United States, amounting to about \$52,000,000 in 1937, and continued free entry is bound on imports covering a trade of \$65,500,000.

Among the major items on which the Canadian tariff is made more favorable to the United States are fruits and vegetables, fishery products, paper products, two large "basket" groups of chemicals, numerous heavy iron and steel products, including tin plate, a large "basket" group of machinery, aircraft and engines, a number of important textiles including yarns, cloths, and certain made-up products such as wearing apparel, and other manufactures of cotton, silk, and rayon.

In part the expansion of Canadian concessions to the United States beyond those made in the 1936 agreement was made possible by the modification in 1937 of the obligation of Canada to maintain tariff preferences for British goods as provided for in the Ottawa agreements of 1932. The United Kingdom agreed to the elimination of these obligations (the so-called margin bindings) on over half the items, leaving Canada free to reduce duties on them in any future agreement with the United States. The United Kingdom relinquished part of a number of the remaining bound margins of preference, and thus permitted duty reductions which Canada could not otherwise have made.

Turkey.—Following the conclusion of the trade agreement with Turkey, effective May 5, 1939, the Commission issued a report entitled "Trade Agreement Between the United States and the Republic of Turkey," which is similar to the reports on the United Kingdom and Canadian trade agreements.

The agreement provides for general application between the United States and Turkey of the principle of unconditional most-favored-nation treatment with regard to customs duties and other forms of trade control. Under the terms of the agreement, Turkey undertakes to make available, within certain limitations, free foreign exchange in payment for imports of United States origin.

United States imports from Turkey amounted to \$15,200,000 in 1938, and the commodities upon which the United States granted tariff concessions to Turkey accounted for approximately 90 percent of this total. The principal concessions were on cigarette leaf tobacco, pistache nuts, shelled filberts, canary seed, licorice root and extract, valonia root and extract, high-priced figs, oriental rugs, chrome ore, and sausage casings. Cigarette leaf tobacco, upon which the duty was reduced by $14\frac{2}{7}$ per cent, accounted for nearly three-fourths of the total United States imports from Turkey in 1938. The imported cigarette leaf tobacco is of a type different from domestic tobaccos and is used largely for blending purposes.

Turkey's imports from the United States amounted to \$13,900,000 in 1937 (\$12,600,000 in 1938), and the tariff concessions granted by Turkey to the United States cover approximately 45 percent of this total. The principal commodities upon which tariff concessions were granted by Turkey were automobiles (the duty being reduced by 60 percent of the Turkish general rate), goat and kid upper leather, cattle hides, radios, typewriters, calculating machines, sewing machines, electric refrigerators, canned prunes and asparagus, and certain types of iron and steel sheets.

Report on changes in import duties.—After the trade agreement with the United Kingdom and the new agreement with Canada became effective (January 1, 1939), it was necessary to prepare a new edition of the report entitled "Changes in Import Duties Since the Passage of the Tariff Act of 1930." The new edition lists all changes in import duties up to and including January 1, 1939, by concessions granted in the trade agreements then concluded under the Trade Agreements Act, and also other tariff changes by executive or legislative action. Changes in excise taxes which apply to imported merchandise or to products derived therefrom are also included. In order to show the history of tariff rates since 1930 certain interim changes in duties are included, even though such changes have since been superseded.

The notes at the beginning of the pamphlet explain how this pamphlet may be used in conjunction with the Tariff Act of 1930 to ascertain readily the existing rate of duty or tax on any imported product. A loose-leaf binding increases the serviceability of this pamphlet as a reference book.

In May it became necessary to supplement the printed edition because of the concessions granted in the agreement concluded with Turkey, effective May 5, 1939; and because of the termination of the agreement with Czechoslovakia. It is noted in the supplement that because of the military occupation by Germany of certain provinces of Czechoslovakia, the products of those provinces will be considered products of Germany for the purpose of determining applicable rates of duty. Further changes arising from legislative and executive action will be given in other supplements to this publication.

Reports on excise taxes.

A number of United States excise taxes are imposed only on imports or on the domestic processing of imported materials. In their economic effects such taxes are identical with tariff duties and are therefore a subject for Commission reports. Two reports regarding these taxes, intended principally for the use of Congress, were pre-

pared in 1939. These reports supplement and bring to date an earlier report released in May 1937.

Excise taxes on fats and oils and oil-bearing materials.—In March of this year the Commission released a mimeographed report entitled "Excise Taxes on Fats and Oils and Oil-bearing Materials." Excise taxes apply to those oils and fats which are of foreign origin, and to the raw materials for their production. The taxes are of two types, (1) those levied on imports, and (2) those levied on the processing of the imported materials.

At present processing taxes are imposed only on coconut oil, palm oil, and palm-kernel oil. Palm oil is entirely imported, and palm-kernel oil is either imported or made from imported materials; coconut oil is mainly imported from the Philippines or processed from Philippine copra.

This report presents data on uses of the various fats and oils and on their prices. Statistics of United States production, consumption, and stocks on hand are also made available.

Excise taxes on imports of coal, lumber, petroleum, and copper.—The Commission released in June a multilithed report "Imports, Exports, Domestic Production, and Prices of Petroleum, Coal, Lumber, and Copper, Together with Excise Taxes Collected Thereon." In addition to United States statistics of production and trade, the report gives comparative data on grades and types produced, imported, and exported, together with sources of imports. It shows in detail the excise taxes collected on imports of the four groups of commodities. These taxes were first imposed in 1932.

Bibliography of raw materials.

The Commission has released a bibliography of raw materials. This bibliography lists references to books and other publications containing information on raw materials per se and on many processed or partly processed materials which in turn are the raw materials for other industries. It does not repeat references which have appeared in two recent bibliographies of the Commission—"The Tariff: A Bibliography," 1934; and "Reciprocal Trade: A Current Bibliography," 1937. In addition, bills introduced in Congress between 1930 and 1939, concerning strategic, critical, and essential materials are listed, and those which finally became law are indicated.

WORK IN PROGRESS

Summaries of tariff information.

One of the basic activities of the Commission is the collection of facts pertinent to a consideration of the tariff problems on each commodity and their analysis and presentation in summaries of tariff information.

When the Tariff Act of 1930 was in process of formulation, the Tariff Commission submitted to the Congress summaries of information on every commodity under consideration. In each were set forth statistics and factual data as to uses; United States production, imports, and exports; tariff history; and competitive conditions. In 1933 the Commission was directed by the Senate (S. Res. 334, 72d Cong., 2d sess.) to bring these summaries up to date and to expand them to include information such as concentration of con-

trol in foreign and domestic industries, tariff problems arising from the use of substitute articles, and foreign production of products subject to United States duties but not actually imported into the United States.

The Commission contemplates the preparation of approximately 2,000 summaries. Preliminary drafts have been made for about 1,700 summaries, two-thirds of which are available in mimeographed form. These drafts run from a few pages each to over 100 pages, the length depending on the importance of the commodity.

These summaries are for the use of the Commission's staff and for distribution to interdepartmental committees and interested Government agencies. They are drawn upon for information requested by members and committees of the Congress and by persons in private life. Much of the information contained in them is incorporated in digests of trade data issued in connection with trade agreements, and in commodity surveys as described elsewhere in this report.

Commodity surveys.

The commodity surveys released by the Commission in 1939 are discussed earlier in this report. Surveys nearing completion, namely, those on silverware; earthen floor and wall tile; edible nuts; hogs and hog products; cattle, beef, and canned beef; and razors and electric dry shavers, are summarized on the following pages.

The basic idea underlying the survey program is that rarely can the tariff problems of any one commodity be isolated; other commodities must inevitably be drawn into the analysis. Where a producing industry makes several related products, it is necessary to consider these products together. Thus in a survey of the flat glass industry it is necessary to analyze the production and trade of both plate and window glass. Then, too, consideration must be given to the raw materials for the production of the commodity or related commodities. Thus, imports of some raw materials used in making synthetic resins are important, whereas imports of the finished products are not. It is conceivable that a change in the tariff status of a raw material in relation to that of the finished product would greatly affect trade. Finally, the possibility of substitution of one commodity for another is of importance in any analysis of the effects of the tariff upon trade. For example, one kind of starch would be substituted for another in some applications should there occur any change in tariff status affecting price.

Each survey presents statistical and other factual material required for the analyses outlined above. The commodities and their uses are described; statistics on United States and foreign production and trade are given; the industries and markets in this country and abroad are discussed, together with the factors affecting trade, such as cartels and export subsidies. Each survey, therefore, constitutes a significant contribution to the knowledge of the subject, particularly where the material was obtained largely by direct investigation.

Silverware.—The survey on silverware deals with the types of silverware provided for in paragraphs 339, 355, 397, 1506, and 1811 of the Tariff Act of 1930. Articles entering the United States under these classifications include flatware (knives, forks, and spoons), hollowware (trays, tea and coffee services, bowls, vegetable dishes, goblets, plates, and similar ware), toiletware (brushes, mirrors, and

combs), novelties (various types of boxes, table decorations, and other ornamental objects), and silverware for ecclesiastical use.

The report brings together all available information on silverware and thus provides a basis for any future consideration of tariff problems. Recent changes (by the trade agreement with the United Kingdom) in United States tariffs affecting sterling and silver-plated ware and recent fluctuations in the price of silver combine to make an examination of the problems of the industry timely.

The report discusses the raw materials used in the production of sterling and silver-plated ware; describes the processes by which these wares are made; and sets forth labor's part in production and the wages which labor receives. It gives the tariff rates applicable to silver products, discusses the trade in them in the United States and foreign countries, analyzes the competitive problems of the industry, and discusses the channels through which silverware is distributed to the consuming public. There are also sections on the production and trade in silverware in foreign countries and domestic and foreign regulations respecting the marking of silver articles.

Silverware produced by highly skilled artisans, and therefore costly, is limited in sales volume. The major part of the domestic output is largely utilitarian, made by modern mass production methods, and sold at moderate prices.

The United States is the world's largest producer and consumer of silverware. In 1937 (the latest census year), domestic production of sterling and silver-plated ware was valued at approximately 52 million dollars. Imports, including articles duty-free because produced before 1830, approximated 2 million dollars in 1937, the equivalent of about 4 percent of domestic production. Imports, though small in comparison with total production, are composed principally of hollowware and are of greater importance than domestic production of hollowware. Imports are affected by special competitive factors, such as design, hallmarking, and antiquity. The United Kingdom and Denmark are the principal suppliers of imported articles. Exports in 1937 were equivalent to less than 1 percent of production.

In the trade agreement with the United Kingdom, effective January 1, 1939, the United States duty on most sterling silver articles was reduced from 65 to 50 percent and on silver-plated ware from 50 to 35 percent; moreover, the duty-free status of silverware made prior to 1830 was bound against change. Through trade agreements with France and Canada, the United States now has more favorable treatment of American silverware in those countries. It is too early to determine definitely the effects of the reductions in duty and other factors upon the volume of imports into the United States. Total imports, dutiable and duty-free, were somewhat larger in 1939 (9 months) than in 1938, but were appreciably less than in 1937.

Earthen floor and wall tiles.—The present widespread interest in housing and in building materials has led the Commission to prepare a survey of the trade in clay floor and wall tiles. Very little has been published about these commodities, although they are among the oldest fabricated building materials.

The survey shows the effects of tariffs on trade in the types of floor and wall tiles provided for in paragraph 202 of the Tariff Act of 1930. Other aspects of the subject treated are the relation of sales

of these products to the volume of building construction, the marked effect which the increased use of substitute materials has had on United States trade in clay tiles, and the part played by leading foreign producers of tile in international trade. Considerable space is devoted to differentiating the many types of floor and wall tiles, the various processes of manufacture employed, the relationship between the leading elements of costs of production, and marketing problems.

Although the domestic floor and wall tile industry, with an estimated capitalization of 20 or 25 million dollars and employing about 6,500 wage earners, may not be considered a major industry, its products are important to building construction, particularly residential building. There are some 50 tile-producing plants in the United States, located mostly in New York, New Jersey, Pennsylvania, Ohio, West Virginia, Indiana, and California. The small size of many of these establishments is indicated by the fact that about 30 of the largest account for less than one-fourth of the total United States output. In the period 1921 to 1929, investment in the industry steadily expanded and the industry generally was prosperous, the value of production increasing from 10 to 29 million dollars. Starting with 1930, when building operations were greatly curtailed, there was a sharp decline in floor and wall tile production, and in 1933 it amounted to only \$5,500,000. By 1937, under the impetus of increased building construction, domestic production had increased to \$16,000,000. Available information indicates that in the period 1930-35 the industry was not prosperous, but that in 1936 and 1937 conditions had improved.

Imports were largest from 1926 to 1929 when they averaged about 5,000,000 square feet, valued at \$1,200,000 annually; they equaled, in quantity, about 5½ percent of United States production. Germany was by far the principal supplier in that period. The lessened demand for tile, arising from the drastic decline in building during depression years, was also reflected in a tremendous drop in imports, which in 1934 amounted to only \$35,000. By 1937 imports had increased to roughly \$100,000, but were equal to only about 1 percent of domestic production. In recent years Japan has been the principal supplier of imports of floor and wall tile, but was displaced by the United Kingdom in 1938 when imports of Japanese tile greatly declined; the total value of imports entered in that year amounted to only about \$22,000.

Domestic exports of floor and wall tile have been somewhat larger in recent years, than imports in contrast to the period 1926-29, when imports were substantial. Exports increased in value from \$84,000 in 1933 to \$194,000 in 1937, but declined to \$140,000 in 1938. Exports consist largely of inexpensive grades competitive in price with the tile exported by other countries.

Edible nuts.—A study of edible tree nuts and peanuts shows marked changes in the trade in the last 15 or 20 years. The trends in United States production, imports, exports, consumption, and prices, as well as in foreign production of each kind of nut, furnish the basis for a discussion of United States tariff problems and the competitive relationship of the several kinds of nuts.

Since 1923, the average annual consumption of edible tree nuts on a per capita basis has declined, although domestic production has

increased. The estimated total consumption (domestic and imported) of the four kinds produced in the United States—walnuts, almonds, pecans, and filberts—has declined from slightly more than 100 million pounds to a little more than 80 millions pounds (equivalent shelled basis). Imports of these four kinds declined from an average of 63 million pounds in 1922–25 to an average of 15 million pounds (equivalent shelled basis) in 1934–37. The trend of imports of Brazil nuts changed only slightly, but imports of cashew nuts from India increased from a negligible quantity in the early 1920's to approximately 25 million pounds (shelled) in 1938.

Edible nuts are dutiable when imported into the United States at various rates, mostly specific. The Tariff Act of 1930 established rates at considerably higher levels than had previously prevailed; those on a few kinds of nuts, however, have been reduced by trade agreements with Turkey and Brazil. Rates of duty are lower on nuts in the shell than on shelled nut meats, roughly in proportion to the shelled yield; they are much lower on the kinds of nuts not produced in the United States than on those produced here.

Hogs and hog products.—The United States leads all other countries in the production of pork and until recently was also the principal exporter. For the last 20 years, however, exports have sharply declined. In the period 1931–34, both the world and domestic supplies of hogs were excessive, and prices were extremely low. In 1933, therefore, the United States Government inaugurated a production control program, but before the objectives of the plan were attained, there occurred in 1934 a severe drought, followed by another in 1936. These circumstances so affected feed supplies that the production of pork declined from an average of 8.7 billion pounds in 1933–34 to 5.9 billion pounds in 1935, and imports during the years 1936–39 increased. Such imports consisted largely of cured pork, canned hams particularly, and Poland was the principal source. United States trade, both import and export, in live hogs and fresh pork is ordinarily small; our export trade has been confined largely to cured pork (bacon, hams, and shoulders), and lard. Imports were free of duty under the Tariff Act of 1913; fresh, frozen and cured pork was made dutiable under the Emergency Tariff Act of 1921; in 1922 duties were imposed on imports of hogs and lard, but the duty on fresh, frozen, or cured pork was decreased; and the Tariff Act of 1930 increased the duties on all of these products. Since 1930 the rates on certain items have been reduced in the trade agreement with Canada.

The survey shows the rise and decline of United States export trade in these products, the progress of production and marketing in this country, and the production and trade of the principal foreign exporting and importing countries. United States tariff problems are given consideration in the survey, as well as import restrictions in our foreign markets. The effect of the prices of pork in relation to other meat prices; the relation between farm, wholesale and retail prices of hogs and pork; and the trend of United States and British prices of certain export cuts are also discussed.

Cattle, beef, and canned beef. The Commission's report on cattle, beef, and canned beef shows developments since 1900 in cattle and beef production, and regional changes that had occurred as a result

of several factors. The causes of the striking change from an export to an import basis in cattle and beef in 1912-15 are discussed in some detail, as are the post-war resumption of the import status in these products, and the effect of the depression and of the recent droughts on production and imports. Special emphasis is given to the limited sources of imports of live cattle for feeding and slaughter. (It is practicable to import such animals only from Canada and Mexico.) Attention is also given to such topics as foreign sources of beef in other forms, including canned beef, and potential supplies in the event that restrictions on imports (including the sanitary embargo) are lessened or removed. Production in and exports from the principal exporting countries, the importance of Great Britain, as an importing country, and the relation of domestic to world prices and to the competitive situation in the United States industry are other phases of the subject dealt with.

Razors and electric dry shavers.—A survey on razors and electric dry shavers is concerned with (1) straight or barbers' type razors; (2) safety razors and blades; and (3) electric dry shavers.

United States production of razors and electric dry shavers in 1937 was valued at more than 29 million dollars, which was 40 percent of the total value of all cutlery produced in this country. The domestic industries making these articles are distinct, except that the two largest producers of safety razors also make dry shavers.

About half of the United States consumption of straight razors is supplied by imports. Competition from safety razors, however, has caused both production and imports to decline greatly. At present (1939) there are only four producing units in this country, of which two are small departments of knife factories. Imports, largely from Germany, are dutiable at rates equivalent to over 100 percent ad valorem.

The safety razor was developed in the United States, and production here of holders and blades is larger than in any other country. There are 34 producers; of these 13 make both holders and blades, one makes holders only, and 20 blades only. Two types of thin flat blades, that is, the double-edged flexible and double or single edged rigid blades, account for practically all of the sales. Imports of the most popular type of safety razors and blades are small; a special type of razor, with hollow-ground blades, is imported principally from England. In the trade agreement with the United Kingdom, the compound rates of duty applicable to imports of razors were reduced. On actual imports of the commonly used holders and blades, duties had under the act of 1930 been equivalent to 30 to 40 percent. The reduced duties are roughly equivalent to the retail selling prices of the least expensive domestic products.

After the expiration in 1921 of the basic patents covering safety razors having flexible blades, manufacture was established in several countries. Thereafter tariffs and other import restrictions were imposed or increased abroad, and several of the largest American producers established branch plants abroad, or became affiliated with foreign factories. As a result, the one-time large United States exports of safety razors and blades have declined greatly, although amounting to about 1 million dollars in 1938.

The safety razor, within a generation, has almost entirely displaced the straight razor. At the present time the electric dry shaver competes actively with the safety razor. Production of electric dry shavers in the United States began on a commercial scale in 1931 with an output of 3,000 units. In 1938, 1¾ million units were made by more than 20 manufacturers and exports exceeded a million dollars.

Fishery treaties and agreements.

An extensive survey, entitled "Treaties, Conventions, Awards, and Port Privileges Affecting the Fisheries of the United States," covers the fishery treaties between the United States and foreign countries. It traces the historical development of the fisheries, gives the terms of each treaty, and attempts to measure the economic effects of each upon United States fisheries and trade in fishery products. Grouped geographically, the fisheries affected by treaties and agreements are as follows:

1. *The northeastern fisheries.*—The development of these is traced from colonial times, and the treaties affecting them are considered in chronological order.

2. *The North Pacific fisheries.*—These are discussed in relation to the fur-seal treaties, the halibut treaties, and the sockeye-salmon treaty. Local conditions and international relations leading to the conclusion of the fur-seal treaties, the history of sealing subsequent to the treaty of 1911, and the international regulation of the halibut fisheries are given in detail.

3. *The west coast fisheries.*—These are affected by a treaty with Mexico.

4. *The Antarctic fisheries.*—The whaling treaties are concerned chiefly with the fisheries in this region.

Fishing privileges accorded foreign vessels in the United States and those accorded United States vessels abroad, as distinguished from treaty rights, are discussed at length. In some areas such privileges have far more economic significance than treaties. At times they have been either the basis for treaties or an outgrowth of them.

A chapter on "Title to Fish" deals with the jurisdiction of various governments over inshore waters, territorial waters, and the high sea, with particular reference to operations of foreign vessels off the coasts of the United States.

Entry into the United States of products of American fisheries, free of duty under paragraph 1730 of the Tariff Act of 1930, is also given consideration inasmuch as the exercise of treaty rights and of fishing privileges abroad are largely responsible for the duty-free entry of sea food.

Wood pulp and pulpwood.

On August 1, 1939, the Senate passed Resolution No. 160 directing the Commission to investigate and report to the Senate by April 15, 1940, on the conditions, causes, and effects of competition between wood pulp or pulpwood produced in the United States and that imported in the principal markets of the United States.

Upon receipt of the resolution the Commission instituted an investigation designed to bring to date the information contained in

a comprehensive report on wood pulp and pulpwood submitted to the Senate in 1937. Preliminary inquiry indicated that the more conspicuous changes that had occurred since 1937 were the decline in United States exports to Japan, substantial additions to the pulp-producing capacity in this country, a marked decline in pulp prices, and generally depressed conditions in the domestic industry. Before the work was far advanced, the outbreak of war in Europe led to disturbances of shipping from Sweden, Norway, Finland, and other European countries. In recent years these countries have been supplying over two-thirds of the total imports of wood pulp into the United States. Freight and insurance charges on shipments from Europe sharply increased, placement of orders for future delivery were hampered, and the prices of domestic pulp tended to rise. Whether the conditions of the moment will continue, be moderated, or be intensified during the remainder of the war period cannot be foreseen. In any event, the conditions which prevailed at the time the resolution was introduced have ceased to exist and it seems unlikely that they will again arise as long as the European war continues.

In view of these circumstances the Commission has advised the Senate that, unless the Senate gives instructions to the contrary, completion of the report on wood pulp and pulpwood will not proceed for the time being, but that the Commission will keep advised on current conditions and will report them if at any time the situation seems to warrant such action.

Field work.

A substantial part of the data collected by the Commission for use in the surveys and summaries, as well as in other types of reports, is obtained by personal contact of the Commission's representatives with manufacturers and importers. A record maintained since the first of January 1939 indicates that members of the staff visited some 500 firms between January 1 and June 30, and some 75 firms between July 1 and September 30.

Field work is directed to obtaining information on individual commodities, either for the Commission's current needs or for specific reports requested by Congress and the President. The cotton investigation under section 22 of the Agricultural Adjustment Act, as amended, and that on wood pulp and pulpwood (S. Res. 160, 76th Cong., 1st sess.) are examples of work undertaken for specific purposes.

Some of the field work undertaken was on projects which cut across commodities or relate to special aspects of competition. The Commission's representatives canvassed many United States companies having plants in foreign countries, with the object of obtaining comparative data on elements of cost and factors affecting costs here and abroad. Other field work was for the purpose of obtaining data on transportation rates and facilities in inland waterways, often an important element in competition of domestic and imported commodities; and finally, investigations were made to obtain data on certain aspects of our foreign trade, for example, the operation of exchange transactions.

Field work is continued as circumstances require.

Studies of costs of production.

Since the fall of 1938 the principal cost accounting work done by the Commission has been concerned with cost systems, cost trends, and geographic variations in costs, rather than with detailed costs of production of specific articles in the United States and in competing countries.

For the study of cost systems, the two or three accountants employed only a few months were able to replenish the Commission's files of standard systems and manuals. In carrying out this project, staff contacts were maintained with officials of some 60 trade associations. Work is being done on cost trends and cost variations in several industries. Basic information is being obtained from a number of American corporations having plants in two or more locations in the United States, or in the United States and foreign countries, and making similar products at different locations.

Ad valorem equivalents of duties on United States imports.

Specific duties are not directly comparable with ad valorem duties. The amount of a specific duty may, however, be compared with the foreign value of the imported product, and the resulting ad valorem equivalent is then directly comparable with ad valorem duties based on foreign wholesale values. To facilitate such comparisons and a broader understanding of tariff levels, the Commission is preparing a tabulation showing rates of duty before and after the concessions granted in trade agreements, giving the ad valorem rates and the ad valorem equivalents of the specific rates. These changes of rates are summarized by tariff schedules and for all dutiable imports.

Investigations of the international trade of foreign countries and of policies and practices related thereto.

The recent shifts in international trade which have occurred as a result of the practices pursued by many foreign countries in the regulation of their commercial and financial relations have raised new problems which have led the Commission to undertake the preparation of several reports on foreign policies and systems of trade control. These reports will include a general analysis of the commercial policies and the methods of trade regulation of 19 foreign countries, and several detailed investigations on the recent international trade and methods of trade control of certain important individual countries and areas.

Recent trends in the commercial policies of foreign countries with special reference to import quotas, exchange control, and clearing agreements.—The general survey of commercial policies and methods of trade regulation is intended to combine the results of work on the executive control of imports and on nontariff trade barriers, announced as two separate projects in the Annual Report of the Commission in 1938. The extent of the control over imports exercised by the executive branch of the government of each of the countries considered, whether that control is exercised through the adjustment of tariff rates, or through the use of less familiar devices such as quotas, exchange control, and clearing agreements, will be shown. The project will examine, first, the reasons for the increased regulation of their foreign trade by many governments; second, the conditions under which the newer devices of trade control have been introduced; and,

third, the operation of these devices and their effect on trade and trade relations.

Country analyses.—The more detailed reports now in course of preparation on the trade and trade policies of particular countries and areas relate to Germany, Italy, Japan, and Latin America. The first three of these are designed to give more complete information on the trade policies and methods of regulation of the countries concerned than the more general survey, and to analyze the effects of the regulations and other factors on each country's trade and economy. Germany, Italy, and Japan have made much use of the newer systems of trade regulation, and there is widespread interest both in their practical operation and in the degree to which they have been used to increase the national economic self-sufficiency of the countries using them.

Germany: Wide circulation has been given by the press to fragmentary information on various aspects of Germany's foreign trade practices, such as the use of "aski" and "blocked" marks, private compensation transactions, and bilateral clearing with particular countries. The Commission has undertaken an integrated analysis of these and other arrangements. This has been difficult because of the lack of official information regarding what has actually been done under the wide discretion left to the administrative officials as set forth in the published decrees. Certain information on German trade and trade practices has been made available by the Commission to other Government departments, and considerable progress has been made in digesting the extensive regulations and in assembling and analyzing statistical data pertaining to German trade. Part of the material prepared for this project was utilized in the report on German trade with the United States described on page 10.

Italy: The work on Italian trade and trade policies offers the same kind of difficulties as does that on Germany, but to a somewhat lesser degree. Much of the necessary material has been collected and progress has been made in its analysis.

Japan: The Commission published reports on the foreign trade of Japan in 1919, 1922, and 1936. The work now in progress with respect to that country's foreign trade is designed to bring the material of the earlier reports down to date, and to supplement it with information on the current Japanese methods of trade regulation.

Latin America: Because of the current interest in the future of our trade with Latin America, the Commission has undertaken a survey of the present and potential trade relations of the United States with the Latin American countries. Special attention is being given to the potentialities of the area in supplying United States imports, to the experience of the Latin American countries during the depression when the prices of their principal export commodities declined materially, and to the effect of the decreased demand for some Latin American products as a result of the economic policies of certain other nations. Attention is being given also to the problems of competition faced in the Latin American area by United States exports as a result of the trade practices of other countries, and to those problems which may arise as a result of the present European war.

Tariff boards.

A report on Tariff Boards has been prepared and is expected to be ready for release in 1940. In the performance of its duty to investigate the tariff relations of the United States with foreign countries, the Commission has examined the procedure by which import restrictions are imposed and modified. Since tariff boards have come to play an important role in some countries, it is appropriate to examine their functions and powers and to compare them one with another.

Most countries have set up agencies to which are referred a variety of questions relating to international trade and trade controls. In some cases such agencies are committees of the legislature or of officials of the executive branch of the government. Frequently the agency exists only temporarily, but in several countries, notably the United States, the United Kingdom, Canada, and Australia, permanent boards have been established.

The report discusses the development of tariff boards throughout the world and examines in some detail those of the countries mentioned above. In addition, the various boards are compared on the basis of (1) composition, (2) powers and functions, and (3) procedure and evidence. The report also contains the laws pertaining to several important tariff boards and lists citations to laws pertaining to a large number of such boards.

Commercial agreements.

The Commission has in progress a handbook on commercial and clearing agreements between the countries of Latin America and the principal non-American countries—the United Kingdom, France, Germany, Italy, and Japan. The handbook will summarize in convenient form the principal provisions of these agreements for the use of government agencies, commercial houses, students, and others interested in international trade.

WORK UNDER SECTION 336—RATE ADJUSTMENT PROVISIONS**APPLICATIONS PENDING AND DISMISSED**

The Commission received during the year only one application for investigation under this section. The application, looking toward a decrease in the existing duty on imports of clay or earths artificially activated, and an application for an increase on imports of cotton fishing nets and netting are all that now remains on the docket, nine of the applications that were pending having been dismissed. The applications dismissed referred to magnesium oxide, vermilion red containing quicksilver, all-wool blankets, robes and steamer rugs, wool-felt hat bodies and hats, carpets and rugs not made on a power-driven loom, badminton shuttlecocks, butter, steel grinding balls, and bent-wood furniture.

INVESTIGATIONS DISMISSED

The investigations with respect to seamless cotton hosiery and cotton velveteens and corduroys were dismissed during the year. Work on these two cases had been suspended for some time. Summaries of

information obtained follow. There are no investigations under section 336 of the Tariff Act of 1930 now in progress.

Cotton velveteens and corduroys.

In response to a request from domestic manufacturers, the Commission, on November 5, 1936, instituted an investigation of the costs of production of cotton velveteens and corduroys, under section 336 of the Tariff Act of 1930. When the investigation was initiated the rate of duty on corduroys was 50 percent ad valorem; the rates on velveteens were 31¼ percent ad valorem on plain-back velveteens and 44 percent on twill-back velveteens. In the case of plain back velveteens, the 31¼ percent rate represented a reduction of 50 percent from the rate provided in the act of 1930 as the result of a prior investigation under section 336 when the rates on both classes of velveteen were reduced by Presidential proclamation, effective July 24, 1933.

Before 1933 imports of cotton velveteens were largely high-priced twill-back velveteens from Europe; since 1933 imports have been principally low-priced plain-back velveteens from Japan.

Imports of cotton velveteens, almost entirely from Japan, amounted to 130,000 square yards in 1934, to 1,912,000 square yards in 1935, to 5,174,000 square yards in 1936, to 3,936,000 square yards in 1937, and to 995,000 square yards in 1938. Imports of cotton corduroys amounted to 13,000 square yards in 1935, to 488,000 square yards in 1936, to 654,000 square yards in 1937, and to 142,000 square yards in 1938.

In the course of the investigation and before the Commission had completed its findings, the Japanese exporters gave notice that for a 2-year period beginning March 1, 1937, they would restrict exports to the United States to a quantity not to exceed annually 2,000,000 square yards of velveteens and 700,000 square yards of corduroys.

In view of this informal quota arrangement, the sharp decline in imports in 1938, and the continued small imports in 1939, the Commission, on March 21, 1939, dismissed the investigation.

Seamless cotton hosiery.

The investigation of differences in the domestic and foreign costs of production of seamless hosiery, finished or unfinished, wholly or in chief value of cotton, instituted by the Commission on October 15, 1936, in response to applications from the domestic industry, was dismissed March 21, 1939. The Japanese Knitted Goods Exporters Association decided to limit exports of cotton, rayon, or cotton and rayon hosiery from Japan to the United States to a total of 1,500,000 dozen pairs annually for a 3-year period which will end December 31, 1939. In view of this limitation on Japanese exports and at the request of the American producers the results of this investigation have been held in abeyance since the early part of 1937.

United States imports of cotton and of rayon hosiery from Japan have been very much below the limitation established by the Japanese. They were 602,000 dozen pairs in 1938, and 478,000 dozen pairs in the first 8 months of 1939, as compared with 2,145,000 dozen pairs in 1936 and 1,442,000 dozen pairs in 1937. Because of the changed situation with regard to imports, the Commission dismissed this investigation.

WORK UNDER SECTION 337—UNFAIR PRACTICES IN IMPORT TRADE

In 1939 the Commission made preliminary investigations with regard to three complaints under section 337 which were pending at the beginning of the year. These complaints concerned a distinctive type of cigar lighter, covered slide fasteners, and fittings for lubricating apparatus. All three were subsequently withdrawn by complainants.

During the year the Commission received and gave public notice of a complaint with regard to totuava or Mexican sea bass. After preliminary investigation it was found that formal proceedings were not warranted, and the complaint was dismissed.

Besides the complaints referred to above the Commission handled a number of informal inquiries concerning violations of section 337. None of these cases required formal action.

On September 26, 1939, the Commission gave public notice of the receipt of a complaint with respect to bath mats, and toilet-seat covers. The complainants charge that importers are infringing on their patent rights. A preliminary inquiry is now being made with regard to this complaint.

No formal investigations are now pending under section 337.

WORK UNDER SECTION 338—DISCRIMINATION BY FOREIGN COUNTRIES

Section 338 of the Tariff Act of 1930 provides for the imposition by proclamation of the President, whenever he finds that the public interest will be served thereby, of new or additional rates of duty not to exceed 50 percent ad valorem or its equivalent on any or all products of any foreign country which discriminates against the commerce of this country "in such manner as to place the commerce of the United States at a disadvantage compared with the commerce of any foreign country." If, after such proclamation, the foreign country maintains or increases its discrimination against the commerce of the United States, the President is further empowered, if he deems it consistent with the interests of the United States, to exclude any products of such country from importation into the United States.

During the past year, the Commission has had no formal request to investigate any specific act or practice involving alleged discrimination. As a part of its general work, however, the Commission studies and maintains extensive files of information on acts of foreign countries which affect or may affect the commerce of the United States.

WORK UNDER SECTION 350—TRADE AGREEMENTS PROGRAM**TARIFF COMMISSION ACTIVITIES IN THIS PROGRAM**

Government activities under the Trade Agreements Act are carried on principally by interdepartmental committees representing the various departments and agencies of the Government concerned with foreign trade. These committees are: The Executive Commit-

tee on Commercial Policy, the Committee on Trade Agreements, the Committee for Reciprocity Information, and the country, commodity, and other special subcommittees of the first two committees mentioned. Members of the Commission or of its staff serve on all of these committees. The staff also prepares and supplies to these committees and subcommittees basic data on the import commodities which are or may be made the subject of negotiations.

Since the enactment of the Trade Agreements Act, in June 1934, 22 reciprocal trade agreements have been concluded and 20 are now (1939) in operation, as indicated in the following tabulation:

Trade agreements concluded prior to Dec. 1, 1939

Country	Effective date	Country	Effective date
Cuba.....	Sept. 3, 1934	Guatemala.....	June 15, 1936
Belgium.....	May 1, 1935	Nicaragua.....	² Oct. 1, 1936
Haiti.....	June 3, 1935	Finland.....	Nov. 2, 1936
Sweden.....	Aug. 5, 1935	El Salvador.....	May 31, 1937
Brazil.....	Jan. 1, 1936	Costa Rica.....	Aug. 2, 1937
Canada.....	Do. ¹	Czechoslovakia.....	³ Apr. 16, 1938
The Netherlands, including Netherlands Indies, Surinam, and Curaçao.....	Feb. 1, 1936	Ecuador.....	Oct. 23, 1938
Switzerland.....	Feb. 15, 1936	United Kingdom.....	Jan. 1, 1939
Honduras.....	Mar. 2, 1936	Canada.....	Do.
Colombia.....	May 20, 1936	Turkey.....	May 5, 1939
France and its colonies, dependencies, and protectorates, other than Morocco.....	June 15, 1936	Venezuela.....	Dec. 16, 1939

¹ Superseded by agreement signed Nov. 17, 1938, effective Jan. 1, 1939.

² Duty concessions terminated on Mar. 10, 1938; remainder of the agreement is still in effect.

³ Terminated on Apr. 22, 1939.

The agreements with the United Kingdom and Canada, which were signed on November 17, 1938, went into effect January 1, 1939. Two new agreements were concluded in 1939, namely, that with Turkey, signed April 1 and effective May 5, 1939; and that with Venezuela, signed November 6 and effective December 16, 1939. As already stated, the Tariff Commission has prepared comprehensive reports on each of the first three of these agreements.

In the course of the year, the Tariff Commission was engaged in the preparation of basic data on the United States trade with a number of countries with respect to which the Secretary of State has issued formal notice of intention to negotiate either new trade agreements, or to revise old agreements. As each announcement includes a list of all products which may be subject to tariff concessions by the United States in that particular agreement, the United States import trade with the particular country must be studied carefully before the formal notice is issued. These lists are issued preliminary to the public hearings, held by the Committee for Reciprocity Information. Prior to these hearings interested parties submit written information and views relative to the proposed trade agreement. The following tabulation shows the countries with respect to which formal announcements of intention to negotiate trade agreements are outstanding:

Country	Public notice of intention to negotiate	Opening date of public hearing
Argentina.....	Aug. 23, 1939	Oct. 16, 1939
Belgium (revision).....	Aug. 16, 1939	Oct. 9, 1939
Chile.....	Oct. 2, 1939	Nov. 27, 1939
Cuba (supplemental).....	Nov. 30, 1938	Jan. 3, 1939
Uruguay.....	Oct. 20, 1939	Dec. 5, 1939
Canada (supplemental).....	Nov. 30, 1939	Dec. 19, 1939

One trade agreement, that with Czechoslovakia, was suspended April 22, 1939, following the occupation of that country by the German Army.

In the 1934 agreement with Cuba the tariff rate applicable to sugar from that country had been reduced from 1.5 cents (the rate fixed by Presidential proclamation in 1934 after a cost investigation by the Tariff Commission) to 0.9 cent per pound during the life of the agreement, contingent upon the maintenance of the quota system set up by the United States. The quota system applied to imports from Cuba and other sources and to shipments from insular possessions, as well as to the United States production. On September 11, 1939, the President suspended the quota system, and in consequence the rate applicable to imports from Cuba reverted to 1.5 cents per pound, or 20 percent below the general rate of duty.

ASSISTANCE TO THE COMMITTEE FOR RECIPROCIITY INFORMATION

The Tariff Commission has continued to assist in the work of the Committee for Reciprocity Information. This Committee was created by the President in 1934 under the provisions of the Trade Agreements Act. Its membership consists of representatives of the Departments of State, Treasury, Agriculture, and Commerce, and of the Tariff Commission. Mr. Oscar B. Ryder, Vice Chairman of the Tariff Commission is chairman of the Committee, having succeeded Mr. Henry F. Grady, appointed Assistant Secretary of State. Mr. A. M. Fox, a member of the Tariff Commission, is its vice chairman. The technical and research work incident to the Committee's activities are principally performed by the staff of the Tariff Commission.

The Committee receives oral or written data and views from any group or individual with respect to all trade agreements matter. Data may be submitted in the form of statements under oath, and the written statements may be supplemented by oral testimony at the public hearings held prior to the commencement of negotiation of any agreement. Interested parties may also submit information by letter or orally at informal conferences with members of the Committee. Information and statements submitted to the Committee other than those at public hearings are held in confidence and are made available only to the Government agencies concerned with the trade agreements program.

The agreements completed with the United Kingdom and with Canada have resulted in substantially increased correspondence with

the Committee for Reciprocity Information and conferences of the Committee with interested parties affected by the terms of those agreements. The European conflict has likewise created problems in the operation of the trade agreements, resulting in requests to the Committee from affected interests for modification of concessions made in the agreements already negotiated. The Commission and its staff have assisted the Committee for Reciprocity Information in a substantial way by lending members of its staff and by making inquiries on specific commodities, such as lace, lumber, and zinc.

All of the voluminous data supplied to the Committee, whether by sworn statements, letter, at public hearings, or through informal conference, are digested by the staff of the Tariff Commission and these digests, together with the original material, are transmitted to the appropriate members of the interdepartmental trade agreements organization.

The number of statements filed and of appearances at hearings since the establishment of the Committee is summarized in the following tabulation:

Statements filed with and appearances before the Committee for Reciprocity Information

Country	Approximate number of formal statements filed	Appearances at hearings	Country	Approximate number of formal statements filed	Appearances at hearings
Argentina.....	225	91	France.....	470	66
Belgium.....	145	28	Guatemala.....	67	(¹)
Belgium ¹	157	40	Haiti.....	58	5
Brazil.....	139	18	Honduras.....	61	(¹)
Canada ²	350	90	Italy.....	200	40
Canada ³	250	115	Netherlands.....	150	37
Chile.....	121	33	Nicaragua.....	59	(¹)
Colombia.....	100	10	Spain.....	102	7
Costa Rica.....	67	(⁴)	Sweden.....	91	16
Czechoslovakia.....	266	100	Switzerland.....	170	27
Cuba.....	85	23	Turkey.....	98	18
Cuba ⁵	210	56	United Kingdom.....	867	320
Ecuador.....	115	5	Uruguay.....	58	12
El Salvador.....	58	(⁴)	Venezuela.....	30	14
Finland.....	50	8			

¹ Negotiations for supplemental agreement announced by U. S. Department of State, Aug. 16, 1939.

² Agreement effective Jan. 1, 1936.

³ New agreement negotiated, effective Jan. 1, 1939.

⁴ The appearances noted under Brazil also include those for Guatemala, Nicaragua, El Salvador, Honduras, and Costa Rica, which were covered in the same hearing.

⁵ Negotiations for supplemental agreement announced by U. S. Department of State, Nov. 30, 1938.

WORK UNDER SECTION 334—COOPERATION WITH OTHER GOVERNMENT DEPARTMENTS

Section 334 of the Tariff Act of 1930 is the official basis for a broad interchange of services between the Tariff Commission and other Government agencies having interests in the same or closely related fields. Under the provisions of that section, the Tariff Commission may have access to the records of and special assistance from other Government agencies and, reciprocally, they may call upon the Commission for such services. The working relationship between the Commission and the Department of State, the Department of Commerce, the Department of Agriculture, and the Department of the Treasury has been, and continues to be, a close one. The war in

Europe has brought the War Department and the Navy Department into the group of agencies with which current special information is being exchanged.

The Commission again acknowledges the valued cooperation of many Government departments.

The Commission on request or on its own initiative has assisted and cooperated throughout the year with the Government departments just named and with others, including the Federal Trade Commission, the National Resources Committee, the Temporary National Economic Committee, and the Central Statistical Board.

Sixty-one Members of Congress in both Houses asked the Commission during the past year to furnish information, in some cases extensive, on a wide variety of subjects.

The Tariff Commission is represented on the following interdepartmental committees:

The Executive Committee on Commercial Policy.

The Committee on Trade Agreements, and its country subcommittees.

The Committee for Reciprocity Information and its commodity subcommittees.

Interdepartmental committees on cooperation with American Republics.

The subcommittees of the Army and Navy Munitions Board.

Interdepartmental committees on Philippine affairs.

Interdepartmental committees on personnel and administrative matters.

DUTIES OF THE COMMISSION IN THE AGRICULTURAL PROGRAM

Under section 22 of the Agricultural Adjustment Act, as amended, the President is authorized to direct the Tariff Commission to make an investigation with respect to any article whenever he has reason to believe that the article is being imported under such conditions and in sufficient quantities as to render ineffective, or materially interfere with, any program under the Agricultural Adjustment Act of 1933 or under the Soil Conservation and Domestic Allotment Act. If, after such investigation and report to him thereon by the Commission, the President finds that the article is, in fact, being so imported, he must impose such quantitative limitations upon imports as may be necessary to prevent the program from being materially interfered with or rendered ineffective. The law forbids him, however, to impose any limitation which will reduce the quantity permitted entry in any year from any country below 50 percent of the average annual quantity of the article imported from that country in the period July 1, 1928, to June 30, 1933.

Prior to July 26, 1939, no investigations had been ordered under section 22. On that date, which was immediately after the announcement that a subsidy of 1½ cents per pound would be paid on exports of cotton and certain types of cotton waste, the President requested the Tariff Commission to make an investigation with respect to those commodities, and another covering manufactured articles wholly or in part of cotton.³

On August 25, the Commission sent to the President a report on cotton and cotton waste, recommending limitation of imports by quotas, and these were proclaimed by the President September 5, effective September 20.

³ After this annual report had been prepared, the President directed the Commission to order an investigation, under this section, relating to *wheat and wheat products*. Public notice of this investigation was issued December 14, 1939.

The Commission has not completed the report on articles and materials wholly or in part of cotton.

COTTON AND COTTON WASTE

Under the Soil Conservation and Domestic Allotment Act a cotton program was introduced several years ago through which land was diverted from cotton to soil-conserving crops in an effort to adjust cotton production to effective demand and to bring cotton prices and the incomes of cotton farmers to higher levels. As a part of this program, the Secretary of Agriculture, on July 22, 1939, announced that, in view of the large stocks of American cotton on hand and the low level to which exports of American cotton had fallen, an export subsidy of 1½ cents a pound on lint cotton and certain types of cotton waste, namely, card strips and comber waste, would be paid beginning July 27.

On July 26, 1939, the Commission, in response to the President's request, ordered an immediate investigation with respect to cotton and cotton waste. A public hearing was held August 14 to 16, 1939.

The Commission in its report to the President, under date of August 25, 1939, found that the export subsidy had created an entirely new situation affecting the importation of cotton and cotton waste into the United States. Under the conditions which had prevailed before the subsidy on exports, prices of American cotton and of competitive foreign cottons were normally higher in the large foreign markets than in the United States, by approximately the cost incident to transporting American cotton to such markets. The effect of the subsidy was to alter this relationship so that foreign prices of American cotton no longer exceeded the price in the United States but actually became lower than the price in markets in this country, notwithstanding the transportation charges. Because of the changed price situation, the competitive position of foreign cottons in the United States market became materially different, with the result that imports of cotton and cotton waste were being entered into the United States under conditions which tended to render the cotton program ineffective.

The import quotas recommended by the Commission and proclaimed by the President are designed to prevent imports from interfering with the cotton program and at the same time (a) to permit American industries to obtain needed supplies of specialized types of cotton and cotton waste, (b) to be equitable as among the exporting countries, and (c) to conform to the provisions of law regarding the minimum size of the quota for any given country. Various considerations made it undesirable to use a single basis for fixing the quotas, and they consequently distinguish (a) short-staple cotton (other than harsh cotton), (b) long-staple cotton, and (c) specified types of cotton waste. The restrictions apply to annual imports for consumption of certain types of cotton and cotton waste. There are no restrictions on the amount of cotton entered in bond or withdrawn from bonded warehouse for reexport.

The annual limitation on the total quantity of cotton of less than 1⅛ inches in staple length (other than harsh or rough cotton of less than ¾ inch in staple length and used chiefly in manufactur-

ing blankets and blanketing, and other than linters) was 14,516,882 pounds. The limitation on cotton of a staple length $1\frac{1}{8}$ inches or more was 45,656,420 pounds. The quota on cotton card strips, comber waste, lap waste, sliver waste, and roving waste, whether or not manufactured or otherwise advanced in value, was set at 5,482,509 pounds.

The quotas established for the several countries on short-staple cotton (other than harsh), which is free of duty, are equivalent to the annual average imports into the United States from those countries for the last 10-year period or the legal minimum, whichever is higher. Very little smooth short-staple cotton has heretofore been imported except from Mexico. Imports from Mexico have usually been reexported; however, in the absence of official statistics indicating the quantity of Mexican cotton actually retained for consumption, the Commission recommended a quota for Mexican cotton equivalent to the 10-year average of the official United States import statistics.

This quota on short-staple cotton does not apply to harsh cotton having a staple of less than $\frac{3}{4}$ inch in length and used chiefly in the manufacture of blankets and blanketing. It was brought out in the investigation that most of the Asiatic cottons imported into the United States are of this type and are unlike any cotton grown in the United States. They are used particularly for the type of nap they impart to all-cotton blankets which are thereby given something of the feel of wool. Only limited amounts of these cottons are grown in the world, and they bring a higher price than American cotton of the same staple lengths.

Long-staple cotton ($1\frac{1}{8}$ inches or over) is subject to a duty of 7 cents a pound. Because certain consuming industries, notably the sewing-thread industry, have definite requirements for long-staple cotton, the Commission recommended quotas equal to the average annual imports from each country for the two highest out of the last 6 years, or to the legal minimum for that country, whichever was higher.

The subsidy applies to cotton card strips and to cotton comber waste, as well as to raw cotton. The investigation showed that the subsidy on these wastes necessitated import control not only of these, but also of lap waste, sliver waste, and roving waste, which are closely related kinds. Other types of waste are, for the present at least, not subjected to a quota.

In the course of the investigation and at the hearings, it was disclosed that a substantial proportion of the imported comber waste, practically all of which comes from the United Kingdom, is from long-staple Peruvian cotton and is used mainly in wool-mixed yarn and in asbestos yarn; also, that the card strips imported are largely from long-staple Egyptian cotton and are imported for the use of the sewing-thread industry. The Commission recommended, and the President approved, a special provision to prevent more than one-third of the quotas allotted European countries from being filled with types of wastes hitherto not imported in significant quantities.

The Commission is continuing its investigations with respect to the harsh or rough cotton mentioned above; with respect to cotton

linters; and with respect to cotton waste other than card strips, comber waste, lap waste, sliver waste, and roving waste. The evidence before the Commission at the time of its report to the President on cotton and cotton waste did not warrant findings on these groups of articles.

ARTICLES AND MATERIALS WHOLLY OR IN PART OF COTTON

As a part of the present cotton program, the Secretary of Agriculture also announced on July 22, 1939, that subsidies would be paid on exports of articles and materials wholly or in part of cotton, the amount of the subsidy to be paid being based on the cotton content of the goods exported. On July 26, 1939, the President directed the Commission to make an investigation of the effect of imports of articles and materials wholly or in part of cotton on the operation of the present cotton program, and the Commission on that date ordered an investigation and gave public notice thereof. The date of the hearing in this investigation has not yet been announced. The Commission will report on the subject when evidence sufficient to warrant findings is available.

PROJECTS UNDER W. P. A.

The Tariff Commission in cooperation with the Work Projects Administration is sponsoring three projects, one in Richmond, one in New York City, and one in Washington. The projects in New York and Richmond are directed and administered from the Commission's Washington office, where all assignments are planned, and where work is reviewed before it is in final form. The Richmond project was started in December 1935; the New York project, in April 1938; and the Washington project, in February 1938. Most employees on these three projects were selected from the Work Projects Administration's rolls.

The staff of the Richmond office is maintained at approximately 102 workers, and that of the New York office at about 29 workers. A staff averaging 11 workers a month is maintained at Washington. During the year, the staff at Richmond was, for a period, curtailed to 36 workers, that at New York to 15, and that at Washington to 3, because of the statutory provisions in the new act, calling for dismissals of workers after 18 months of continuous service. About 6 percent of the personnel dismissed at that time have found independent or private employment.

Personnel of Work Projects Administration projects, Dec. 1, 1939

	Relief workers	Nonrelief workers	Full-time supervisors provided by Tariff Commission
Richmond, Va.	93	9	2
New York, N. Y.	28	1	2
Washington, D. C.	11	-----	2

RICHMOND PROJECT

Completed assignments.

The assignments completed at Richmond prior to November 1, 1938, are covered in the Commission's Twentieth, Twenty-first, and Twenty-second Annual Reports. In 1939 a number of other projects were completed. Statements concerning these projects follow.

United States imports under the reciprocal trade agreements program.—A summary of imports under concessions granted in trade agreements, for the years 1937 and 1938, was made for the following countries with which trade agreements were concluded before 1937: Belgium, the Netherlands, Switzerland, France, Sweden, Finland, Brazil, Costa Rica, Guatemala, Colombia, Honduras, and Haiti. This work consisted of tabulating basic statistics compiled by the United States Department of Commerce. The data arranged by tariff schedules, show the quantity and value of imports from each of the 12 countries of commodities on which tariff concessions were granted. These data were made public.

United States imports and duties, 1937, by tariff paragraphs.—A tabulation has been made of United States imports for consumption for the year 1937, showing the imports entered under each statistical classification in each paragraph of the schedules in the Tariff Act of 1930. The tabulations show the rate of duty, the quantity and value of imports, the calculated duty, and the equivalent ad valorem duty for each item. This material differs in manner of presentation from that issued annually by the Department of Commerce in Foreign Commerce and Navigation of the United States, in that statistics of that Department are arranged by commodity groups without reference to the order of tariff paragraphs. The data were assembled and issued in one volume.

List of publications of the Tariff Commission.—This list shows articles or subjects covered by the publications of the Commission, the year published, the number of pages in a pamphlet, and the cost per copy when purchased from the Superintendent of Documents.

Other completed assignments.—Other completed W. P. A. assignments have made available for the official use of the Tariff Commission and other Government agencies the following material:

- (1) An analysis of imports of flower seeds. (See summary on p. 13.)
- (2) An analysis of imports by parcel post. (See summary on p. 13.)
- (3) An index of Foreign Crops and Markets (a periodical of the Department of Agriculture).
- (4) A tabulation of ocean charter rates.
- (5) An index of Interstate Commerce Commission decisions.
- (6) Indexes and briefs of trade journals and government periodicals (on typed cards).
- (7) An alphabetical list of principal importers of commodities.
- (8) A tabulation showing the distribution of tobacco sales (Department of Justice).
- (9) A tabulation on cards from original import invoices of various chemical commodities.

Besides the above, service requests were complied with for the decoding and tabulation of imports by countries and by customs districts on the following commodities: Garlic, onions, malt liquors, rayon or synthetic fabrics (not jacquard-figured), raw cotton, cherries, beans, tomatoes, flaxseed, gelatin, yarns, burlap, palm nuts, potatoes, screenings, tapioca, and still wines.

Current assignments.

Analysis of imports entered under "basket" clauses.—In published statistics of imports, numerous articles are classified in so-called basket clauses as "all other." An analysis of individual customs entry documents must be made of every group to show the articles so classified. This work originates in the Tariff Commission's New York project and the completed cards are submitted to the Washington office of the Tariff Commission, where they are reviewed, classified, and arranged by groups before being sent to the Richmond W. P. A. project, for conversion into United States currency values and for compilation in tables arranged by countries and by customs districts. The analysis nearing completion covers imports for 817 selected statistical classifications for part of 1937, the data being transcribed on approximately 335,000 cards. The analysis covering imports of selected invoices for part of 1938 will be started shortly.

Other W. P. A. projects under way are:

- (1) Compilation of list of importers.
- (2) Tabulation of retail sales by market areas.
- (3) Schedule A—Statistical Classification of Imports into the United States (1939).
- (4) Tabulation of imports by customs districts.
- (5) Index of trade journals and Government periodicals.
- (6) Index of Foreign Crops and Markets (first 6 months of 1939).

NEW YORK PROJECT

The staff of the Tariff Commission's W. P. A. project in New York is analyzing "basket" clause information available from selected invoices on file in the New York customhouse. On special occasions entry papers for imports at other ports have been sent to New York for analysis. The work involves search for specific entries in the general statistical list at the customhouse, locating entry papers in the files, and transcribing the import data upon cards, and furnishing sample transportation data of selected commodities on cards. As noted above, these are subsequently forwarded to the Richmond W. P. A. project for tabulation. During the current period the New York project has completed the analysis of imports in 1937 for 957 selected statistical classifications. This required the preparation of some 411,000 cards. It has also begun work on analyses of imports under basket clauses in 1938 and 1939 and has forwarded to Washington some 45,000 cards relative to 117 classifications.

WASHINGTON PROJECT

The Tariff Commission's project at Washington under the Work Projects Administration, started in February 1938, has continued the work of setting up a new filing system and a card index for the inactive and semiactive files of the Commission. These files consist of field notes, questionnaires, correspondence, samples, catalogs, and work papers accumulated by the various divisions of the Commission in investigations over the last 22 years.

Work has been completed on 2,010 file subjects amounting to 13,243 file inches of material, and the index cards are in use by the divisions interested. There has been a marked increase in the facility with

which information can be assembled from these files through the use of the index cards, as well as through the consolidation and rearrangement of the various groups of materials. The elimination of duplications and useless material has effected a considerable saving in space and equipment.

LITIGATION

UNDER SECTION 336 OF THE TARIFF ACT OF 1930

McKay sewed leather shoes.

Bata Shoe Co. Inc. v. United States, C. D. 45.—On October 17, 1938, the Customs Court upheld the President's proclamation (T. D. 45311), effective January 1, 1932, increasing the rate of duty on McKay sewed leather shoes from 20 to 30 percent ad valorem. In so doing the court recognized the right of the Commission to broaden, on its own initiative, the scope of an investigation under section 336 which had been requested by Senate resolution. The court further held that a notice of hearing regarding boots and shoes was sufficient to advise the public that the investigation might cover McKay sewed boots and shoes, and the fact that one type of shoe which had been imported but not produced in the United States was not investigated did not invalidate the proceedings as to other types which were both imported and produced in the United States. The case is now pending on appeal to the Court of Customs and Patent Appeals.

Footwear with fabric uppers.

Bata Shoe Co. Inc. v. United States, Reap. Decs. 4330 and 4512.—Certain unfinished carriage boots with fabric uppers, needing the addition of tongues, eyelets, and laces to make them finished articles, were appraised pursuant to the President's proclamation under section 336 (T. D. 46158) on the basis of the American selling price of domestic carriage boots. The importer appealed to reappraisal, claiming that inasmuch as the proclamation referred to boots, shoes, or other footwear, it did not cover unfinished footwear, and that the articles in question were not within its purview. A single reappraising judge of the Customs Court upheld this contention, ruling that the articles were substantially incomplete and that the proclamation was limited to substantially complete articles. Upon further proceedings, cost of production was found to be the basis for determining the dutiable value of the merchandise. On October 24, 1939, the decision of the reappraising judge was affirmed by the division of three judges of the Customs Court.

Japan Import Co. v. United States, Reap. Dec. 4389.—“Toyo oxfords,” consisting of rubber-soled footwear with Toyo paper cloth uppers, the latter being cotton cloth with a veneer of Toyo paper on the outside, were appraised under the President's proclamation (T. D. 46158) on the basis of the American selling price of domestic rubber-soled footwear having cotton uppers without any paper. The importer appealed to reappraisal, claiming that the imported merchandise was not “such as” the American merchandise within the purview of section 402 (g) of the Tariff Act of 1930, which defines American selling price for valuation purposes. The single appraising judge of the Customs Court agreed with this contention, ruling that for the merchandise to be within the purview of the President's

proclamation it must be "such as or exactly like" American articles. Upon review (Reap. Dec. 4568), the appellate division held that the imported article need not be identical with the domestic article, but only "like or similar" thereto, in order to be within the purview of the proclamation. However, the court found that the imported shoes in this case were not similar to the domestic shoes in evidence, and therefore that the Presidential proclamation did not apply.

Dried egg albumen.

David L. Moss Co., Inc. v. United States, C. A. D. 45.—Importers in this case attacked the validity of the President's proclamation (T. D. 44997) increasing the rate of duty on dried egg albumen, on the ground that the Tariff Commission's report showed the absence of a dried egg albumen industry in the United States and that therefore the increase in duty was unlawful. The Customs Court overruled the protest (T. D. 48985). The Court of Customs and Patent Appeals, upon appeal (C. A. D. 45), held that the finding of the President and the Tariff Commission that dried egg albumen was produced in the United States must be supported by substantial evidence, and that an examination of the record disclosed substantial evidence supporting such a finding.

Canned clams.

George S. Bush & Co., Inc. v. United States, C. A. D. 64.—In challenging the President's proclamation (T. D. 47031), changing the basis of value to American selling price on certain canned clams, the importer contended that the Tariff Commission did not proceed in accordance with law in converting foreign currency to United States currency for purposes of cost comparison. It was argued that since the period for which costs were compared was December 1930 to September 1932, both inclusive, the use by the Commission of the average rate of exchange for the whole calendar year 1932 was unlawful. The Customs Court overruled this contention (Reap. Dec. 4253) and declared that the methods to be used in converting currencies were within the discretion of the Commission, and that the courts had no jurisdiction to review the facts upon which the Commission based its report to the President. On appeal to the Court of Customs and Patent Appeals, that court reversed the decision of the Customs Court and held that when invoice prices are used as evidence of costs they must be converted to United States currency at rates prevailing during the "representative" cost period, the language in section 336 (e)(2)(A) of the tariff act "invoice prices or values for a representative period" being construed to read "invoice prices or values in United States currency for a representative period." The Tariff Commission investigation was held to be illegal and the President's proclamation void. The Government's petition for rehearing was denied on October 2, 1939.

Bicycle bells.

L. Oppleman, Inc. v. United States, C. D. 156.—Paragraph 364 of the Tariff Act of 1930 provides for "Bells (except church and similar bells and carillons), finished or unfinished, and parts thereof, 50 per centum ad valorem." After investigation by the Tariff Commission under section 336, the President by reclassification increased the rate of duty on bicycle bells from 50 to 70 percent ad valorem.

The importer protested the assessment of the 70 percent rate, contending that since parts of bicycles are provided for in paragraph 371 the imported bicycle bells were classifiable thereunder and not under paragraph 364. The Government conceded that bicycle bells are in fact parts of bicycles, but asserted that the President's proclamation was valid and controlled the classification of the imported bells. The court in its decision pointed out that at the time of the promulgation of the proclamation bicycle bells were judicially held not to be classifiable as parts of bicycles and were, therefore, properly classifiable under the provision for bells. The President did not, therefore, exceed his authority in carving out of the provision for bells a special class of bells and increasing the duty thereon. In doing so he created an *eo nomine* provision for bicycle bells, and since his action was lawful, such *eo nomine* provision cannot thereafter be rendered inoperative simply by showing that bicycle bells are parts of bicycles. An appeal is now pending in the Court of Customs and Patent Appeals.

Other pending cases.

During the past year numerous protests and appeals to reappraisal have been filed with the Customs Court which involved the legality or applicability of proclamations issued by the President under section 336.

UNDER SECTION 350 OF THE TARIFF ACT OF 1930, AS AMENDED

Litigation under section 350 (Trade Agreements Act) has involved principally the question of whether products of third countries are entitled to benefit by the reduction in duties in the Cuban trade agreement on the products of Cuba. The leading case on this question, *F. H. Von Damm v. United States* (T. D. 49094; 90 F. (2d) 263; cert. denied, 302 U. S. 722) is referred to on page 47 of the Commission's Twenty-first Annual Report, and in the other cases which have been decided by the Customs Courts, the doctrine of the *Von Damm* case was followed, namely, that the effect of the Cuban trade agreement was to reduce duties or to continue preferential treatment only with respect to Cuban merchandise, and that such reduced or preferential rates are not applicable to products of third countries by virtue of the "generalization clause" in section 350 (a) of the tariff act.

ADMINISTRATIVE WORK

MEMBERSHIP OF THE COMMISSION

Mr. Raymond B. Stevens, of New Hampshire, Chairman of the Commission since July 1, 1937, was again designated by the President as Chairman, effective July 1, 1939.

Mr. Henry F. Grady, of California, who served as Vice Chairman of the Commission commencing July 1, 1937, left the Commission on August 7 to accept the President's appointment to the position of Assistant Secretary of State.

Mr. Oscar B. Ryder, of Virginia, was reappointed by the President and confirmed by the Senate on May 27, 1939, to succeed himself as a member of the Commission for the term ending June 16, 1945. He was designated by the President as Vice Chairman for 1 year beginning August 8, 1939, and was named to succeed Mr. Grady as Chairman of the Committee for Reciprocity Information.

The other members of the Commission are: Mr. Edgar B. Brosard, of Utah; Mr. E. Dana Durand, of Minnesota; and Mr. A. Manuel Fox, of New York. There is one vacancy.

DETAIL OF TARIFF COMMISSION PERSONNEL TO FOREIGN GOVERNMENTS

During the past year the Tariff Commission was called upon by the Department of State to detail expert personnel to the South American countries under provisions of recent statutes (Public, No. 545 of May 25, 1938, and Public, No. 63 of May 3, 1939). The objective sought by these acts is the improvement of our relations with the other American countries through furnishing at their request such Government experts and other advisers as different situations require. One Commissioner, Mr. A. M. Fox, designated as head of a special mission, and one senior commercial policy analyst, Mr. H. V. Fay, were detailed to the Venezuelan Government for a period of 3 months, and one senior economist, Mr. Harold D. Gresham, was detailed to the Paraguayan Government for approximately 1 year. Both missions are at their foreign stations at this time (October 1939).

A member of the Commission's staff, Mr. Clifton W. Housley, has been assigned as one of the advisers to the United States delegation in Buenos Aires negotiating the proposed trade agreement with Argentina.

THE STAFF

Transfer of professional and technical expert staff to civil service status.

Following the agreement made last year between the Civil Service Commission and the Tariff Commission, with the approval of the President, to place the positions of the Commission requiring expert personnel within the civil service as of September 1, 1938,

steps were taken to transfer the experts occupying those positions to the classified service. One hundred and thirty-six employees were affected, including economists, commodity specialists, commercial policy analysts, and accountants. Each employee met the necessary requirements of civil service by noncompetitive examination and compliance with members-of-family, physical-fitness, and fingerprinting provisions, and was granted a status by the Civil Service Commission.

The employees on the professional and technical staff of the Commission, the majority of whom have rendered many years of Government service, have benefited by this transfer in that they may now make use of the features of the Retirement Act, the transfer system, and other civil service advantages. Of this group, one employee retired from the service for age during the past year; two employees, whose terms of service were extended beyond the retirement age by Presidential order, will retire next year; several others will reach the retirement age within the next few years; and five employees have been transferred to other departments. The Commission likewise has been able to fill vacancies on its professional and technical staff by transfer from other Government agencies, as well as by direct certification from the Civil Service Commission.

Personnel.

The Commission and its staff, as organized at the close of the fiscal year 1939, consisted of 310 persons, a net increase of 4 over last year. This total comprised 6 Commissioners and 304 employees, 194 of whom were men and 116 were women. Fifty-three members of the staff have rendered military or naval service. The total number within the civil service retirement law was 304. The amount of money deducted from their salaries under the retirement law during the fiscal year 1939 was \$24,497.10.

The following changes in personnel occurred during the fiscal year ended June 30, 1939:

Appointments:	
Permanent employees.....	19
Temporary employees.....	13
Total	<u>32</u>
Separations:	
Resignations.....	15
Deaths	1
Retirements	1
Temporary appointments completed.....	11
Total	<u>28</u>

A brief comparative table of the staff follows:

Departmental and field services

Title	June 30, 1938	June 30, 1939	Oct. 31, 1939
Commissioners.....	6	6	5
Chairman, Planning and Reviewing Committee.....	1	1	1
Chief, Technical Service.....	1	1	1
Adviser on international trade policies.....	1	1	1
General counsel.....	1	1	1
Secretary.....	1	1	1
Administrative officer.....	1	1	1
Chiefs of divisions.....	10	10	11
Acting chief of division.....	1	1	
Assistant chiefs of divisions.....	2	2	3
Chiefs of sections.....	6	6	7
Acting chief of section.....	1	1	
Librarian.....	1	1	1
Special experts ¹	120		
Accountants.....		24	22
Marine and foreign transportation specialist.....		1	1
Distribution and traffic analyst.....		1	1
Commodity specialists.....		48	47
Economists.....		33	33
Commercial policy analysts.....		9	10
Attorney.....		1	1
Assistant librarian.....		1	1
Clerks, including stenographers.....	116	123	119
Secretaries to commissioners.....	6	6	5
Operators, office devices.....	10	11	9
Telephone operators and stock clerks.....	3	3	3
Messengers.....	16	14	15
Skilled laborer.....	1	1	1
Chief, New York office.....	1	1	1
Total.....	306	310	302

¹ Expert staff now listed in respective groups.

FINANCES AND APPROPRIATIONS

1. *Salaries and expenses.*—The appropriation for salaries and expenses for the fiscal year ended June 30, 1939, was \$918,000. Of that sum there was turned back to the Treasury an unobligated balance of \$450. The Commission received reimbursements under section 601 of the Economy Act for special work performed for other departments.

2. *Printing and binding.*—The appropriation for printing and binding for the fiscal year ended June 30, 1939, was \$15,000. Of that sum there was turned back to the Treasury an unobligated balance of \$450.

3. *Expenditures and obligations.*—Expenditures for the fiscal year ended June 30, 1939, and outstanding obligations at that date were as follows:

Salaries: Commissioners.....	\$59,999
Employees:	
Departmental service.....	775,875
Field service.....	23,166
Travel expenses:	
In the United States.....	13,298
In foreign countries.....	2,443
Books of reference and publications.....	3,701
Printing and binding.....	14,550
Telephone and telegraph.....	3,086
Repairs and alterations.....	782
Office equipment, supplies, miscellaneous expenses.....	35,200
Total.....	932,100

APPENDIX

REPORTS ISSUED BY THE TARIFF COMMISSION SINCE THE PASSAGE OF THE TARIFF ACT OF 1930

Since December 1, 1938, the following publications have been issued by the Commission:

- Bibliography of Raw Materials.
- Changes in Import Duties Since the Passage of the Tariff Act of 1930 (1939 edition).
- Cotton and Cotton Waste.
- Excise taxes collected, imports, exports, domestic production and prices on—
 - Petroleum, coal, lumber, copper, certain oils and fats.
- Grapes, Raisins, and Wines.
- Incandescent Electric Lamps.
- List of Publications of the Tariff Commission.
- Pocket Cutlery.
- Rules of Practice and Procedure and Laws Relating to the Tariff Commission. (1939 edition.)
- Synthetic Organic Chemicals, United States Production and Sales, 1938.
- The European War and United States Imports.
- Trade agreements—digests of trade data:
 - Canada (2d agreement)—4 vols.
 - Turkey.
 - United Kingdom—8 vols.
- Trade agreements, imports in 1937 and 1938 of articles included in agreements with—
 - Belgium.
 - Brazil.
 - Finland.
 - France.
 - Haiti, Honduras, Colombia, and Guatemala.
 - Netherlands.
 - Sweden.
 - Switzerland.
- United States trade with Germany.

Earlier publications issued under the act of 1930 are listed below.

- Annual reports:
 - Fourteenth.
 - Fifteenth.
 - Sixteenth.
 - Seventeenth.
 - Eighteenth.
 - Nineteenth.
 - Twentieth.
 - Twenty-first.
 - Twenty-second.
- Agricultural Hand Tools.
- *Alcoholic Beverages.
- Anthracite Coal Industry of Soviet Russia.
- Barley Malt.
- Bases of Value for Assessment of Ad Valorem Duties in Foreign Countries.
- Beer.
- Bells, Chimes, and Carillons.
- Bent-Wood Furniture.

*Out of print.

- Blown-Glass Tableware.
 Boots and Shoes.
 Candied, Crystallized, or Glacé Fruits.
 Canned Clams.
 *Cement.
 *Certain Vegetable Oils, Whale Oil, and Copra.
 Changes in Import Duties Since the Passage of the Tariff Act of 1930
 (3d and 4th editions).
 Cheese.
 Chemical Nitrogen.
 Cigar Industry and the Tariff.
 Cigar Lighters.
 Cigar-Wrapper Tobacco.
 Cocoa-Fiber Mats.
 Coilable Metal Rules.
 Comparison of Tariff Acts of 1922 and 1930 (by items).
 Comparison of Tariff Acts of 1922 and 1930 (by paragraphs).
 Computed Duties and Equivalent Ad Valorem Rates on Imports into the
 United States, from Principal Countries, 1929.
 *Computed Duties and Equivalent Ad Valorem Rates on Imports into the
 United States, from Principal Countries, 1929 and 1931.
 Copper.
 Cotton Cloth.
 Cotton Fishing Nets and Nettings.
 Cotton, Long-Staple.
 Cotton Rugs.
 Cotton Ties of Iron or Steel.
 Cotton Velveteens and Velvets.
 Crab Meat.
 Crin Vegetal, Flax Upholstery Tow, and Spanish Moss.
 Crude Petroleum and Its Liquid Refined Products.
 *Crude Petroleum, Cost of.
 Cut Flowers.
 Cutlery Products.
 Cylinder, Crown, and Sheet Glass.
 Dead or Creosote Oil.
 Depreciated Exchange.
 *Differential between Raw and Refined Sugar.
 Domestic Value—Conversion of Rates.
 Dominion and Colonial Statistics.
 Dressed or Dyed Furs.
 Dried Beans and Black-Eye Cowpeas.
 *Dried Egg Products.
 Drive Springs.
 *Dyes and Other Synthetic Organic Chemicals, Census of 1930.¹
 Dyes and Other Synthetic Organic Chemicals, Production and Sales of.
 1933.
 Dyes and Other Synthetic Organic Chemicals in the United States, 1934.
 Dyes and Other Synthetic Organic Chemicals in the United States, 1935.
 Dyes and Other Synthetic Organic Chemicals in the United States, 1936.
 *Dyes and Other Synthetic Organic Chemicals in the United States, 1937.
 Economic Analysis of Foreign Trade of the United States in Relation to
 the Tariff:
 Part I. Imports.
 Part II. Exports.
 *Part III. Range and Variety of Costs.
 Edible Gelatin.
 Employment of Non-Resident Fishermen in the United States Fisheries.
 Extent of Equal Tariff Treatment in Foreign Countries.
 Feldspar.
 Fish and Other Marine Products.
 Fish Packed in Oil.

*Out of print.

¹ Summaries of statistics relating to these commodities for the years 1931 and 1932 were issued in mimeographed form.

- *Fishery Products.
- Flat Glass and Related Glass Products.
- Folding Rules, Aluminum and Wooden.
- Fourdrinier Wires, Woven Wire Cloth, and Cylinder Wires.
- Fresh Vegetables:
 - Beans, Snap or String, Green or Unripe.
 - Cucumbers in Their Natural State.
 - Eggplant in Its Natural State.
 - Lima Beans, Green or Unripe.
 - Okra.
 - Peas, Green or Unripe.
 - Peppers in Their Natural State.
 - Tomatoes in Their Natural State.
- Frozen Swordfish.
- Furniture of Wood.
- Gauge Glass Tubes.
- Graphic Analysis of the International Trade of the United States in 1932.
- Grass and Straw Rugs.
- Hats, Bonnets, and Hoods, of Straw.
- Hat Braids and Bodies Containing Synthetic Textile.
- Hemp Cordage.
- Hides and Skins of Cattle of the Bovine Species.
- Imports and Duties, 1933.
- Inedible Gelatin, Glue, Glue Size, and Fish Glue.
- Infants' Wool Knit Outerwear.
- Iron in Pigs and Iron Kettle.
- Iron and Steel.
- *Laces and Lace Articles.
- Laminated Products.
- *Lumber.
- *Maple Sugar and Maple Sirup.
- Matches.
- Meat and Food Choppers.
- Methods of Valuation.
- Mica Industry, The.
- Nets and Netting and Other Fishing Gear.
- Olive Oil.
- Optical Fire-Control Instruments.
- Oxides of Iron Suitable for Pigment Purposes.
- Pens.
- Phosphates, Crude and Superphosphates.
- Pigskin Leather.
- Pineapples.
- Pins.
- Pipe Organs.
- Plate Glass.
- Pottery, Household, Table and Kitchen Articles.
- Precision Drawing Instruments.
- Quicksilver.
- Recent Developments in the Foreign Trade of Japan.
- Red Cedar Shingles.
- Regulation of Tariffs in Foreign Countries by Administrative Action, 1932.
- Regulation of Tariffs in Foreign Countries by Administrative Action, 1934.
- Relation of Duties to Value of Imports.
- Rubber-Soled Footwear.
- Rules of Practice and Procedure.
- Russian Asbestos.
- Salmon and Other Fish.
- Silicon Aluminum, etc.
- Slide Fasteners and Parts.
- Slide Fasteners and Parts, Cost of Production of.
- Smokers' Articles.

*Out of print.

- Sodium Sulphate.
Sperm Oil and Spermaceti Wax.
*Sponges.
Subject Index of Tariff Commission Publications.
Subsidies and Bounties to Fisheries Enterprises by Foreign Governments.
*Sugar.
Sun Glasses or Sun Goggles.
Synthetic Camphor.
Synthetic Phenolic Resin.
Synthetic Resins and Their Raw Materials.
*Tariff Bargaining Under Most-Favored-Nation Treaties.
The Tariff—A Bibliography.
The Tariff and Its History.
Tooth and Other Toilet Brushes.
Trade Agreement with Canada.
Tuna Fish.
*Ultramarine Blue.
Umbrellas and Umbrella Frames and Skeletons.
United States-Philippine Tariff and Trade Relations.
*United States-Philippine Trade.
Upholsterers' Nails, Chair Glides, Thumb Tacks.
Whisky, Wine, Beer, and Other Alcoholic Beverages and the Tariff.
Wood-Cased Lead Pencils.
*Wood Flour.
Wood Pulp and Pulpwood.
Wood Pulp and Pulpwood. Effect of Depreciated Currency on Imports of.
Wool-Felt Hat Bodies (1935).
Wool-Felt Hat Bodies and Hats (1931).
*Wool Floor Coverings.
Wool Knit Gloves and Mittens.
Wool Prices.
*Work of the Tariff Commission Since Its Reorganization in 1930.
*Woven-Wire Fencing and Netting.

Digest of trade-agreement digests.

The volumes in this series contain digests of trade data respecting items upon which the United States granted concessions in trade agreements with the countries named below—

Country:	Year issued
*Belgium.....	1935
Brazil.....	1935
Canada (1st agreement).....	1936
Czechoslovakia.....	1938
Finland.....	1936
Netherlands.....	1936
Sweden.....	1935
Switzerland.....	1936

Special compilations.

Imports, Exports, Domestic Production and Prices—

Petroleum, Coal, Lumber, Copper, together with Excise Taxes Collected, 1937.

Excise Taxes on Fats and Oils and Oil-bearing Materials.

W. P. A. compilations.

As W. P. A. projects under the supervision of the Tariff Commission, there have been prepared and issued the following:

Commodity Packaging Data.

Comparative Statistics of Imports into the United States for Consumption by Countries for the Calendar Years 1931-35, Inclusive. The material for these years consists of 11 volumes. The contents of each volume are indicated by the titles which are—

*Out of print.

Volume	Title
	I. Animal and Animal Products, Edible.
	II. Animal and Animal Products, Inedible.
	III. Vegetable Food Products and Beverages.
	IV. Vegetable Products, Inedible (Except Fibers and Wood).
	V. Textiles (in 4 parts).
	VI. Wood and Paper.
	VII. Nonmetallic Minerals.
	VIII. Metals and Manufactures (Except Machinery and Vehicles) (in 2 parts).
	IX. Machinery and Vehicles.
	X. Chemicals and Related Products.
	XI. Miscellaneous.

Similar statistics were also issued for the years 1929 and 1936. There are four volumes for each of these years, divided as follows:

Volume	Title
I.	{ Animal and Animal Products, Edible.
	{ Animal and Animal Products, Inedible.
	{ Vegetable Food Products and Beverages.
	{ Vegetable Products, Inedible (Except Fibers and Wood).
II.	Textiles.
III.	{ Wood and Paper.
	{ Nonmetallic Minerals.
	{ Metals and Manufactures (Except Machinery and Vehicles).
IV.	{ Machinery and Vehicles.
	{ Chemicals and related products.
	Miscellaneous.

Computed Duties and Equivalent Ad Valorem Rates on Imports Into the United States from Principal Countries, Calendar Years 1929, 1931, and 1935.

Reciprocal Trade: A Current Bibliography.

Schedule A.—Statistical Classification of Imports into the United States.

United States Free and Dutiable Imports for Consumption From Selected Countries—By Months 1932 and 1933.

United States Imports and Duties, 1937 (arranged according to the Tariff Act of 1930—By Schedules, paragraphs, and commodities).

Distribution.

The Commission distributed during the current year 19,589 copies of its printed publications and 39,187 copies of multilithed material.

The Superintendent of Documents reports that in the fiscal year 1938 over 8,000 copies of reports of the Tariff Commission were sold, the receipts from which amounted to approximately \$1,163, and that during the fiscal year 1939 nearly 12,000 copies were sold with receipts amounting to over \$2,997.

A policy of cooperation with the Superintendent of Documents in stimulating the sale of publications has been carried out this year as one result of the Commission's membership on the Interdepartmental Committee on Printing and Processing.

During the past year a law was passed by the Congress providing (with certain limitations) that no Government agency may send free of postage any report, bulletin, or other material coming within that category unless a request therefor has been received. The Commission has adjusted its mailing lists and distribution to carry out this provision of law.